

**A REVIEW OF THE PREPAREDNESS,
RESPONSE TO, AND RECOVERY
FROM HURRICANE SANDY**

(112-112)

**HEARING
BEFORE THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES**

ONE HUNDRED TWELFTH CONGRESS

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U.S. House of Representatives
Committee on Transportation and Infrastructure

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Washington, DC 20515

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November 30, 2012

BRIEFING MEMORANDUM

TO: Members of the Committee on Transportation and Infrastructure
FROM: Committee on Transportation and Infrastructure Staff
SUBJECT: Oversight Hearing on "A Review of the Preparedness, Response to and Recovery from Hurricane Sandy"

PURPOSE

The Committee will hold a hearing on Tuesday, December 4, 2012 at 10:00 a.m. in room 2167 Rayburn House Office building to receive testimony from the Federal Emergency Management Agency (FEMA), the U.S. Department of Housing and Urban Development (HUD), the U.S. Army Corps of Engineers (USACE), and State and local emergency managers involved in disaster recovery efforts in various jurisdictions.

The purpose of the hearing is to review preparedness and response to Hurricane Sandy, to receive information about the plan for redevelopment and recovery, and to examine the lessons learned by other States impacted by previous disasters. State and local emergency managers from Louisiana, Mississippi, and Galveston, Texas will provide testimony on their recovery efforts from previous disasters¹ and lessons learned by their recovery efforts that may help inform the recovery process for Hurricane Sandy. In addition, H.R. 2903, the FEMA Reauthorization Act of 2012, included key reforms that would reduce costs and speed up recovery following a disaster. That legislation passed the House in September. The hearing will also focus on how those reforms may help address red-tape and streamline the recovery process for Hurricane Sandy.

¹ Including Hurricanes Katrina, Rita, Gustav, and Ike.

BACKGROUND RELATED TO HURRICANE SANDY

Hurricane Sandy

On October 29, 2012, Hurricane Sandy made landfall at New Jersey as a "post-tropical cyclone" with hurricane-force winds of up to 80 mph, colliding with a nor'easter creating what has been called a "Superstorm." The superstorm brought with it storm surges of more than 11 feet, killing more than 100 people (including 43 in New York of which 34 occurred in Queens and Staten Island), destroying or damaging thousands of homes, and leaving more than 8 million people without power. The damage to transportation infrastructure immediately following Hurricane Sandy included approximately 600 million gallons of water that infiltrated the mass transit system and critical inter-city roads. States along the eastern seaboard were impacted from Florida to Maine, with the most destruction occurring in New Jersey and New York. Prior to landfall, pre-storm emergency declarations were issued for Connecticut, Delaware, District of Columbia, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and West Virginia to facilitate preparation. Following the storm, major disaster declarations were issued for Connecticut, New York, New Jersey followed by Rhode Island, Maryland, Delaware, Virginia, West Virginia, and New Hampshire.

On November 26 and 27, Chairman Mica led a congressional delegation, including Members of the Committee and Members representing districts impacted by Hurricane Sandy to parts of New York to meet with federal and local officials and inspect damage resulting from the disaster. In particular, the delegation toured impacted areas of Staten Island, New York as well as damaged transportation infrastructure in Manhattan.

Federal Response

Overview

As of November 27th, 7,622 FEMA personnel have been deployed to the affected areas. 475,394 individuals have registered with FEMA for assistance, with \$974 million in individual assistance approved. Of the \$974 million, \$490 million was for repairs, \$408 million was for rental assistance and the remaining \$75 million for other needs assistance (personal property, medical, dental and funeral costs). 74 Disaster Recovery Centers have been set up by FEMA -- 33 in New York, 33 in New Jersey, and 8 in Connecticut. The U.S. Army Corps of Engineers (USACE) has more than 3,000 employees in the North Atlantic Division and, at the peak of the response activities, an additional 990 team members from other USACE divisions were engaged to support the response mission.

Housing

As of November 26th, FEMA inspected 99,949 homes in New Jersey and 135,000 in New York with a total of over 1,500 housing inspectors in the field in those two States. There are approximately 5,000 households in the Transitional Sheltering Assistance Program in New York and New Jersey and 861 in hotels and motels. An additional 533 remain in congregant shelters.

State-led housing task forces in New York and New Jersey have been examining both short and long term solutions for those whose homes have been impacted by Hurricane Sandy. FEMA has organized a multi-agency Hurricane Sandy Catastrophic Disaster Housing Task Force to assist the State-led task forces. Some of the housing options being explored include utilization of federal properties, utilization of the Multi-Family Repair Program, the utilization of foreclosed properties, temporary housing units (THUs), and leasing rental properties. Final decisions on the long-term housing solutions rest with the State and local governments.

In addition, FEMA rolled out the Sheltering and Temporary Essential Power (STEP) program which will enable families to remain in, or return to, their homes, as a form of shelter while permanent repairs are completed. In those cases in which temporary repairs could be made to a home to render it livable, the STEP program would provide direct assistance by making those temporary repairs, allowing the homeowner to shelter in place as permanent repairs are made to their home. This program includes residential meter repair, temporary electrical measures, and temporary exterior repairs. Examples include: patching windows or exterior doors, tarps on the roof, minor electrical work, or necessary inspections for habitability. New York has requested and is implementing the program with over 10,000 registrants and 3,417 assessments completed. New Jersey is expected to request implementation of STEP in that State soon. Connecticut has not requested the STEP program.

Power and Fuel

As of November 15, approximately 85,000 customers in New York and New Jersey were without power. FEMA established a Power Restoration Task Force led by the Department of Energy to address power outages and fuel shortages. The Task Force worked with the private sector to identify impediments to power restoration or fuel supplies. The Task Force has worked to ensure generators are available to refineries, support power restoration and fuel distribution at gas stations, and acquire and move power restoration teams to communities without power. The federal government has delivered 8.1 million gallons of fuel in the affected areas and over 198 generators to critical locations, including hospitals, shelters, and government buildings.

The USACE deployed teams to strategic locations in NY, NJ, PA, and WV, with resources in place to haul, install and operate generators at critical facilities. USACE de-installed 153 generators as power was restored. At the peak, the USACE generated 55MW of power, enough to support power needs of 50,000 families. Additionally, USACE sent power experts and generators to support NY Public Housing, the Hoboken High Rise Complex, the Kinder Morgan Petroleum Terminal and Hoboken Terminal.

Recovery and Rebuilding

On November 15, the President announced that he tasked Housing and Urban Development (HUD) Secretary Shaun Donovan to work with the impacted communities on identifying redevelopment plans asserting that HUD's involvement will help streamline the process of rebuilding. While FEMA will continue to lead the response and recovery, HUD would

work with FEMA in accordance with the National Disaster Recovery Framework.²

While FEMA maintains that it will continue with its lead role pursuant to its authorities under the Stafford Act and responsibility over the Disaster Relief Fund (DRF), the details of how HUD's role will fit into that framework are not yet clear. FEMA has already begun appointing Federal Disaster Recovery Coordinators (FDRC) as deputies to FEMA's Federal Coordinating Officers. General information received from FEMA indicates that HUD would facilitate and coordinate all relevant federal programs and resources across the government. Further details of HUD's role are expected to be released soon.

Disaster Relief Fund (DRF)

The Disaster Relief Fund (DRF) is the primary account used to fund many of the FEMA disaster assistance programs for States and local governments and certain nonprofits following a declared disaster or emergency. In most cases, funding from the DRF is released after the President has issued a disaster declaration.

As of November 26, based on current FY 2013 DRF sources of funding and usages to date, the following were the balances in the DRF:

FY 2013 CR Appropriation:	+\$7.100 billion
FY12 Carryover balance:	+\$1.003 billion
FY13 Recoveries to date:	+\$0.177 billion ³
Transfer to OIG:	- \$0.024 billion
DRF Obligations as of 11/26/12	-\$2.874 billion ⁴
	+5.382 billion ⁵

U.S. Army Corps of Engineers (USACE)

USACE, working in conjunction with FEMA, has played a key role in the response. As highlighted previously, USACE has played a significant role in addressing power supply issues. In addition, USACE has been engaged in the following:

- supporting power, debris and temporary housing missions in NY and NJ with technical assistance teams and senior leadership oversight consistent with FEMA mission assignments.

² The National Disaster Recovery Framework (NDRF) was created to ensure coordination and recovery planning at all levels of government before a disaster, and describes how the nation will work together, following a disaster. The framework establishes structures, defines leadership roles and responsibilities, and guides coordination and recovery planning at all levels of government. The NDRF was released on September 23, 2011, as the first framework published under Presidential Policy Directive -- 8.

³ Part of the \$1.2 billion total recoveries projected for all of FY 2013 but not yet realized.

⁴ Including obligations recorded for Hurricane Sandy (to date) totaling \$1.938 billion in terms of surge (\$15m), emergencies (\$40m) and current catastrophic disaster (\$1.883b) based on issued declarations and authorities executed consistent with the Stafford Act

⁵ For both Major Disaster Declarations and the Base

- supporting emergency temporary power missions in NY/NJ. USACE are providing emergency power for capacity beyond states' capabilities.
- providing debris teams to ports, waterways and coastal areas in NJ and NY clearing debris along the Atlantic seaboard. Thirty-five debris teams are assisting local NY and NJ authorities. Nearly 330,000 cubic yards of debris have been removed to date.
- providing planning response teams to assist with debris management, infrastructure assessment, temporary roofing, critical public facilities, and temporary housing.
- concentrating pumping efforts at 14 critical locations as determined by local officials. Pumping is complete at all 14 locations. During de-watering operations USACE controlled 162 pumps and removed more than 475 million gallons of water equivalent to 720 Olympic-sized swimming pools.
- provided 512 truckloads (18,000 liters per load) of water to NY, NJ, PA, and WV.
- providing Technical Assistance to FEMA. Planning Teams are helping entities complete grant applications/project worksheets. Technical assistance is also being provided for site layouts to include the placement of structures, infrastructure, and other site requirements.
- providing USACE Critical Public Facilities PRT, which is completing 30 percent design for local entities (and assisting with the independent government estimate), and assisting in the preparation of environmental documentation as required by local, state and Federal governments. The Critical Public Facilities Mission includes assessing fire, police, school, city halls, EMS, hospitals and public works facilities. The assessment of these facilities in New Jersey is complete for all 158 facilities and a need was found for 29 facilities. Those that require temporary structures are: 8 fire, 8 police, 3 schools, 1 city hall, 1 EMS and 8 public works facilities. Estimated completion date for the Critical Public Facilities Technical Assistance mission is December 15.

GENERAL BACKGROUND REGARDING FEMA

Federal Emergency Management Agency: History

FEMA was established in 1979 by Executive Order by President Carter following a number of massive disasters in the 1960s and 1970s which resulted in proposals by the National Governors Association and others to streamline and cut the number of agencies States were required to work with following a disaster. Prior to the creation of FEMA, the federal government's emergency response mechanisms were scattered among many agencies throughout the government. The creation of FEMA helped to centralize these authorities and the coordination of the federal government's response to a disaster. FEMA's primary authority in carrying out its emergency management functions stems from the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).⁶ Following more than two decades as an independent agency, the Homeland Security Act of 2002 (P.L. 107-296), which created the

⁶ 42 U.S.C. §§ 5121-5207.

Department of Homeland Security (DHS), placed FEMA within DHS, and FEMA's functions were dispersed among various offices and directorates of DHS.

In 2005, Hurricanes Katrina and Rita devastated the Gulf Coast. Following Hurricanes Katrina and Rita and the poor response that occurred, several investigations and congressional inquiries and hearings took place to examine the preparation for, response to, and later recovery from these hurricanes. In particular, the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina was formed and culminated in the issuance of a report entitled, "A Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina" on February 15, 2006.

Following the issuance of this report, Congress enacted the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA) (P.L. 109-295), which put FEMA back together again within DHS. PKEMRA authorized the National Preparedness System and, among other things, FEMA for the first time in legislation.

Disaster Assistance Programs

When, at the request of a Governor, the President declares a major disaster or emergency, the official declaration triggers certain federal response authorities and financial disaster assistance. In particular, when such a declaration is made, the President is authorized to direct any federal agency, with or without reimbursement, to assist state and local governments and protect life and property. FEMA is responsible for coordinating federal agency response and ensuring the necessary federal capabilities are deployed at the appropriate place and time. In addition, FEMA provides direct support and financial assistance to States and local governments and individuals as authorized under the Stafford Act.

FEMA's primary Stafford Act programs for disaster response and recovery in the aftermath of a major disaster are in the Public Assistance Program and the Individual Assistance Program. The Public Assistance Program, authorized primarily by sections 403, 406, and 407 of the Stafford Act, reimburses state and local emergency response costs and provides grants to state and local governments, as well as certain private non-profits to rebuild facilities. The Public Assistance Program generally does not provide direct services to citizens.

The Individual Assistance Program, also known as the Individuals and Households Program, is primarily authorized by section 408 of the Stafford Act. The program provides assistance to families and individuals impacted by disasters, including housing assistance. Housing assistance includes money for repair, rental assistance, or "direct assistance," such as the provision of temporary housing.

Section 404 of the Stafford Act authorizes the Hazard Mitigation Grant Program (HMGP). HMGP provides grants to state and local governments to rebuild after a disaster in ways that are cost effective and reduce the risk of future damage, hardship, and loss from natural hazards. FEMA also provides grants under HMGP to assist families in reducing the risk to their homes from future natural disasters, through such steps as elevating the home or purchasing the home to remove it from the floodplain.

Disaster Declarations

When state and local resources are overwhelmed and the “disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments,”⁷ the Governor of the affected State may request that the President declare a major disaster. If the President issues a declaration, federal resources are deployed in support of state and local response efforts.

There are two categories of incidents included in the Stafford Act – “major disasters” and “emergencies”. A “major disaster” is defined under the Stafford Act as:

Any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this chapter to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.⁸

An “emergency” is defined as:

Any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement state and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.⁹

The key distinction between a major disaster and emergency is that emergencies authorize fewer types of assistance and do not require a state level disaster declaration or a request from a governor. In addition, emergencies are typically less severe events, limited in cost or can be declared to “lessen or avert the threat of a catastrophe.”¹⁰

WITNESSES

The Honorable W. Craig Fugate
Administrator
Federal Emergency Management Agency

Major General Michael Walsh
Deputy Commanding General, Civil and Emergency Operations

⁷ Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5170.

⁸ 42 U.S.C. § 5122.

⁹ *Id.*

¹⁰ 42 U.S.C. § 5122.

U.S. Army Corps of Engineers

Mr. Fred Tombar
Senior Advisor to the Secretary for Disaster Recovery
U.S. Department of Housing and Urban Development

Mr. Robert R. Latham, Jr.
Executive Director
Mississippi Emergency Management Agency

Mr. Kevin Davis
Director
Governor's Office of Homeland Security & Emergency Preparedness
State of Louisiana

Mr. David Popoff
Emergency Management Coordinator
for Galveston County, Texas

A REVIEW OF THE PREPAREDNESS, RESPONSE TO, AND RECOVERY FROM HURRICANE SANDY

TUESDAY, DECEMBER 4, 2012

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The committee met, pursuant to call, at 10:07 a.m., in room 2167, Rayburn House Office Building, Hon. John L. Mica (Chairman of the committee) presiding.

Mr. MICA. Good morning. And I would like to call this hearing of the House Committee on Transportation and Infrastructure to order.

This is a full committee hearing. We conduct our oversight and investigations at the full committee level. We are conducting this in cooperation with our subcommittee that oversees FEMA, economic development, public buildings, and emergency management services.

The title of today's hearing is, "A Review of the Preparedness, Response to, and Recovery from Hurricane Sandy." We have a list of witnesses, and we will welcome those witnesses in a few minutes. The order of business today will be as usual. We will have opening statements by Members, hear from our witnesses, and we will hear from all of them, and then we will go into a round of questions.

So I want to welcome everyone and thank you for your participation, and also yield to myself for an opening statement, and then we will go to other Members.

Well, again, I am pleased that we have come together here as a committee to review the progress from Hurricane Sandy, recovery progress. But this hearing actually goes beyond the most recent hurricane and storm.

We have attempted as a committee to make some reforms and also deal with some of the problems we have had from past storms and natural disasters. And the House, prior to this most recent storm, passed H.R. 2903, which was the FEMA Reauthorization Act. That was passed on September 19th, before the storm began. And it was passed specifically to deal with some of the problems we have had with previous natural disasters and also the ability of FEMA, our emergency management organization at the Federal level, to deal with some of those issues.

The bill, unfortunately, is languishing in the United States Senate, along with other pieces of legislation, but I am hopeful that we can dislodge it. And I think we will hear from this hearing that we

need some of the mechanisms and reforms in that legislation to help FEMA and other agencies better do its job in helping folks restore their lives and their property and, really, the country and the regions' and communities' economies.

The bill, for example, creates a public assistance pilot program. It is a grant-like program based on cost estimates, not actual damages. And we think that that can also speed up the process, cut some of the redtape, paperwork. And we will hear a little bit about some of the impediments to getting folks back on their feet through the FEMA process today.

It also requires cost-estimating, shortens FEMA's appeals process. And we will hear also about the constraints that FEMA works under now under current laws and regulations. And, hopefully, that can be expedited so people who have experienced damage most recently can be made whole or at least get the Federal part of the assistance underway in an expedited fashion.

The legislation also allows State administration of hazard mitigation. And we think that that is important, also, in the process and some of the problems we have seen in the past.

The legislation, if passed by the Senate, would reform the rebuilding process, cut through redtape and sometimes the bureaucratic nightmare that we have seen other States have to deal with.

The legislation was formed on a bipartisan basis, and we reviewed different disasters in States. Of course, the premier disaster we are all familiar with is Katrina, but storms in Louisiana, natural disasters in Texas, Mississippi, Florida, Arkansas, Iowa. And I had a chance to visit most of those venues and talk to folks and hear about the problems they incurred in dealing, again, with the Federal Government and FEMA programs.

Some 10 years from now, we don't want to be having hearings and asking FEMA why it is taking so long to rebuild from Hurricane Sandy. We know what is awaiting, unfortunately, some of the folks in New York and New Jersey and other areas that have been impacted in the Northeast by this most recent storm. And we know the redtape, paperwork, and sometimes confusing process that they have to deal with. And, hopefully, again, our legislation can be passed before this Congress leaves.

Let's see, I guess it was the week before last, this past week, I led a congressional delegation, some of our committee members, to New York. And it was kind of interesting to meet with local officials and also see where they are in this stage of recovery.

First, I have to say how much I admire the people of New York, New Jersey, the northeast region that were hit. Some absolutely incredible people who worked 24/7—local officials, State responders. We had different agencies—DOD, the National Guard. We had private individuals who came out—churches, Red Cross, community organizations, just thousands of people who were helping their fellow Americans in recovery. And we also saw our FEMA folks on the scene. And we will talk about what their role has been and, again, how, hopefully, we can help them.

Interestingly enough, they were praising the FEMA folks in both New York and Staten Island where we visited. When I left Staten Island, the president of the borough said to me as I was leaving the meeting and we were getting a briefing, he says, By the way,

Mr. Mica, he says, do you think you could help us with some FEMA recovery? And I said, What is that? And he said, Well, they promised us I think it was \$25 million, and so far—I guess it was Hurricane Irene almost a year and a half ago—so far they have only gotten \$7 million from that. So I said, Well, hang on to your shorts because, you know, if you are looking at multibillion-dollar recovery and you can only get \$7 million out of \$25 million promised, you may be in for a long ride.

We then met with Mayor Bloomberg and toured some of the damage in New York City. And he also praised some of the work for FEMA and others. But as also he was leaving, he took me aside and said—he had talked, I guess, to Secretary Napolitano, and he was still having difficulty getting money from FEMA from Hurricane Irene.

So, again, there appears to be difficulty in past storms. I had asked staff about Katrina, and I think we will hear more about that. But I understand Louisiana still has \$1.7 billion in unreserved claims from 2005. That was August 29, 2005.

So I think the point here is that we want to find a way to make certain that this process moves forward as quickly, efficiently, and as responsibly. And FEMA does have to comply with the law that we set on the regulations and certainly be good stewards of taxpayers' money.

So, again, we now find ourselves with the current situation. The President has visited the Northeast. And on the 15th of November, the President announced that HUD Secretary Shaun Donovan would be in charge of coordinating some of the rebuilding and recovery effort—a little bit different. Maybe his intent is to sidestep some of the bureaucracy; we don't know. But we hopefully will find out—we have a witness today, in addition to FEMA, from HUD—and find out where we stand with that new approach. The announcement did not supply us with any details, and subsequent statements made by Secretary Donovan do raise a number of serious questions as to who will be in charge of that particular activity and how it will fit into the FEMA recovery scheme.

So I look forward to hearing from our witnesses. And we hope to make this a productive hearing in which we can, again, keep people from going through redtape and paperwork, maybe passing that. I asked staff to pull a couple of clips from the most recent—and we will hear from our Representative from Maryland in a minute. The headlines say, "FEMA denies help to Maryland homeowners." "New Yorkers hit hard by Hurricane Sandy denied aide by FEMA bureaucracy." "After disasters, FEMA does not help every State." The clips go on and on. And I think that we will also hear from some other people that have had issues with this storm and past storms.

What we need to do is make certain that these folks, again, get the very best response and that we give FEMA the very best tools so they can respond.

With that, I am pleased to yield to the ranking member, distinguished gentleman from West Virginia, Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman, and I commend you for holding this hearing today, and certainly welcome all of our witnesses and commend each of you and your organizations for the

tremendous work that you have done to help our people, for your service to our Nation. We all are deeply indebted to you for that.

I also want to recognize the work and thank those who selflessly gave of their time to help others in need before, during, and after the storm—Federal, State, and local emergency responders, National Guardsmen, and numerous volunteers, who themselves often reside in the path of oncoming storms. They say goodbye to their loved ones for whatever time is necessary so that they can help prepare for and respond to disasters. Their dedication and their commitment is truly commendable to their fellow human beings.

Superstorm Sandy inflicted brutal damage up and down the east coast, but it also severely impacted inland States, such as West Virginia, where the hurricane and a nor'easter collided, leaving in some areas up to 6 feet of snow.

It appears with each storm these days there are different circumstances. And certainly I know that we are learning from each storm so that we can be prepared for the next one, no matter what circumstance it takes or what nature of a storm hits us.

But in this last one, roofs collapsed because of accumulated snow, destroying businesses; roads were impassable for days, cutting off emergency assistance to households; power outages were long-lasting and widespread; property was destroyed; and lives were seriously disrupted and even lost.

Last week, President Obama issued a major disaster declaration for 18 counties in West Virginia, including 7 counties in southern West Virginia. It took nearly a full month before the full extent of the public assistance program was granted to these counties.

And I commend you, Administrator Fugate, for your work. We have talked on this issue. You have kept Members of Congress briefed, all of you have, throughout this recovery process.

West Virginia families, however, are still waiting for a decision on whether individual assistance will be made available. It has been nearly 5 weeks now and still no response. Our citizens need and deserve timely answers, especially when such disaster assistance is so critically needed.

In the FEMA reauthorization bill passed earlier this year by the House, at my request a provision was included to require FEMA to update its rules regarding the issuance of individual disaster assistance.

Clearly, Sandy is yet another reminder that such updates are very much needed in order to ensure more timely and responsive assistance. Over 300,000 West Virginia customers were left without power after Sandy. This comes just months after more than twice as many West Virginia customers lost power, some for several weeks, following the June derecho.

While I appreciate FEMA's updated guidance on the eligibility of generator purchases for critical facilities under the Hazard Mitigation Grant Program, I do encourage FEMA to determine whether even broader eligibility is appropriate and to clarify how FEMA intends to determine the cost-effectiveness of generator requests. I hope FEMA will consider the full range of potential costs of power outages at public facilities in order to ensure generators can be more readily available using Hazard Mitigation Grants.

Thank you, Mr. Chairman, for this hearing.

Mr. MICA. Thank you.

Let me yield now to the chair of the subcommittee of jurisdiction, Mr. Denham, from California.

Mr. DENHAM. Thank you, Mr. Chairman. And thank you for holding this hearing, not only on such an important issue, but at such a critical time for this issue.

As a Representative from California, my constituents and I know very, very well how important it is to plan and prepare for disasters, from earthquakes, floods, wildfires. We know that good planning and preparedness saves lives and mitigates against damages.

That is why, as chairman of the subcommittee with jurisdiction over FEMA and emergency management, I have held numerous hearings focusing on emergency management capability and authored the FEMA Reauthorization Act, which passed the House in September and is currently over in the Senate now. We look forward to seeing that passed all the way to the President—meaningful reforms that would help us out in today's current situation.

And I want to thank Mr. Fugate for not only your partnership and your expertise in this area but certainly for being willing to go out there and help us to get both parties, both Houses working together to get this very important legislation passed.

What is critical to communities and people devastated by a disaster is not only the initial response but also how quickly people can rebuild and get back to normalcy. We have seen improvements made since Katrina in how we prepare for and respond to disasters, but we still see many problems. Despite prepositioning of certain assets, we still saw massive fuel shortages, people in places like Staten Island who did not have help for days, and millions without power.

In addition, we have seen meaningful improvements in recovery and rebuilding. We don't want to see New York and New Jersey still haggling with FEMA over every different doorknob and light switch. We want to see bills paid immediately and that rebuild done immediately.

That is why the FEMA Reauthorization Act, H.R. 2903, includes a new public assistance pilot program that would immediately allow FEMA to waive duplicative and outdated regulations and give more flexibility to the rebuilding process. We direct FEMA to review and streamline its regulations, require the use of cost estimates, shorten the FEMA appeals process, and make it easier for communities to have access to temporary housing units.

I am pleased that we have emergency managers from States who are still rebuilding from prior disasters. I hope today we can hear from them what their experiences have been with the current process, what are the lessons learned, and what improvements they might recommend to the process.

I am also interested in hearing how FEMA and HUD intend to address the current housing issues. Thousands are still without homes, and it still is not clear what will be the total number of people who will need longer term housing while they rebuild. It is also not clear what exactly will HUD's role be in the recovery process, given the President's announcement that the Secretary of HUD will lead redevelopment and rebuilding efforts. I hope today to get more

details on that process, how it will work, and what the timeline will be to get people back in new homes.

Again, I want to thank the witnesses for being here today and thank Chairman Mica for holding this important hearing.

Thank you, and I yield back.

Mr. MICA. Thank you.

And I am pleased to yield now to the ranking member of the subcommittee of jurisdiction, the gentlelady from the District, Ms. Norton.

Ms. NORTON. Well, thank you, Mr. Chairman. And I especially thank you for holding this very timely hearing on yet another unprecedented storm in our country.

I ask to revise and extend my remarks so I may summarize them.

This event covered 24 States and saw a confluence of climate I don't think we have ever seen before: a hurricane colliding with a nor'easter, and whiteout snow conditions. That is what has lots of scientists thinking about the effects of climate change.

Thousands of people, when you have an event this large, are still living in temporary housing. Twelve States received emergency declarations before the storm, and so far, 10 States have received disaster declarations. The District of Columbia has a disaster declaration pending.

Our Post-Katrina Emergency Management Reform Act, I believe, has proved useful during this storm. We provided FEMA with new tools, clarified their duties and functions. And we see some of this not only with respect to FEMA but also its nonprofit partners and the, apparently, good prepositioning of supplies, the closing of subways and of the Metro system, to name two of the most obvious.

But I hope this hearing will focus on forward thinking as these States rebuild, and especially hazard mitigation to prevent similar loss of life. I don't know if anyone could have mitigated what happened to New York and New Jersey because in a real sense these storms brought as unprecedented conditions as one might expect in a terrorist disaster. You didn't know what to expect; you never would have expected this. How do you mitigate, given our hazard mitigation legislation and funds, so that the next time, should it come, these important States are not put in the position that they are today?

I am also concerned about the failure of FEMA to put into effect cost-estimating for the recovery phase. In the last Congress, our Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing in which among the issues focused was the failure of FEMA to, in fact, use cost-estimating for the removal of debris and the like, just as the insurance industry does.

Now, the insurance industry is known for conserving its funds and going after people who cheat. Now, if the insurance industry can use cost-estimating to hurry up the process of clearing after an event, I will be very interested to learn whether or not cost-estimating, which we first mandated in the Disaster Mitigation Act of 2000, will for the first time be used after Hurricane Sandy.

I will also be interested in the President's announcement that the Secretary of Housing and Urban Development agency will lead

the Government's Sandy assistance. I believe this is the first time. It appears to be a coordination function. I normally am for such coordinating functions. I will be interested, however, to see how they will operate in this new joinder of agencies; FEMA to continue to have, however, the individual and public assistance function. It will be important for the two agencies to sort out whose regulations apply so that there is a real coordination function rather than a stepping on one another's toes.

I look forward to today's witnesses. And I particularly commend and thank FEMA for the Herculean work it did in the beginning of this storm and all the partners who assisted the Agency.

And thank you, Mr. Chairman.

Mr. MICA. Thank the gentlelady.

Pleased now to recognize the gentleman from Maryland, Mr. Harris.

Dr. HARRIS. Thank you very much, Mr. Chairman, for holding this hearing today and for the opportunity to discuss the impact of Hurricane Sandy on the area I represent and the response efforts to date.

The First Congressional District includes all of Maryland's Eastern Shore, much only a few feet above sea level. Somerset and Worcester Counties and particularly the communities of Crisfield, Smith Island, Marion, Fairmount, Deal Island, Ocean Pines, and Princess Anne were particularly hard-hit with flood, wind, and rain damage from Hurricane Sandy.

While these communities continue to recover, our thoughts and prayers certainly go out to our neighbors from New York, New Jersey, Delaware, and other areas where the lives and businesses of families were disrupted as they dealt with massive property loss.

On October 31st, 3 days after the storm, I toured the affected sites in Crisfield and Ocean City with Governor O'Malley and FEMA and local officials to see firsthand the serious impact of the superstorm. While Army Corps beach engineering projects protected Ocean City, I was stunned to see the evident devastation that some of our bay coastal communities like Crisfield suffered.

Three weeks ago, I hosted a tele-town-hall meeting with over a thousand residents from impacted communities participating, with officials from FEMA and Maryland's emergency management agency also on the phone. I was encouraged by the Federal and State coordinated response efforts to date. But a message I did hear loud and clear is that few citizens have an understanding of the different responsibilities of Federal, State, and local governments in disaster response and recovery.

Two weeks ago, President Obama issued a major disaster declaration for Maryland and approved Governor O'Malley's request for public assistance and hazard mitigation. However, yesterday, a request for individual assistance has been rejected. I am puzzled by that rejection, given the lack of resources in our lower shore counties, and hope this hearing may shed some light on the reasoning behind that decision.

Mr. Chairman, this hearing will underscore the need for all levels of Government to be prepared for these catastrophes in the future, ensuring that scarce resources can always be made available to those of our communities most in need of assistance.

I look forward to hearing the testimony of our panel of witnesses this morning, and I thank you again, Mr. Chairman, for holding this hearing.

Mr. MICA. Thank you.

And I am pleased to yield to the gentleman from New York and thank him for his hospitality he extended to the committee in viewing some of the damage in his district in Manhattan.

Mr. Nadler?

Mr. NADLER. Thank you, Mr. Chairman. And thank you and the Ranking Member Rahall for holding this hearing on the Federal response to Hurricane Sandy.

I currently represent New York's Eighth Congressional District, which includes Lower Manhattan and the Brooklyn waterfront communities of Red Hook, Sea Gate, and Coney Island, all of which were hard-hit by this storm.

Although the emergency response agencies worked hard to get the city back up and running, there were gaps in the recovery operations, and there are many challenges that remain, particularly for a dense urban area like New York. Our transportation system is too vulnerable. Our infrastructure is old and harder to replace. The power grid runs more than just lights and computers; it also powers heat and hot water, and all water in the highrises all over the city, and it operates the elevators that the elderly and disabled rely upon to escape their homes when they become unsafe.

Although FEMA and the National Guard set up distribution centers around the city, in many cases people were unable to leave their apartments to pick up supplies, and deliveries didn't make it to many buildings. My office, along with other elected officials, organized volunteers, collected supplies, and hand-delivered blankets, food, and water to people stuck in highrises. Lugging goods up flights of stairs is no easy task, and it is better left to trained professionals. But if we hadn't done it, with the help of students from NYU and other good samaritans, many people would not have received any help at all in the weeks after the storm.

This is just one example, but I fear it illustrates the particular challenges of an urban setting that our emergency response agencies are ill-equipped to handle or at least haven't had to contemplate on a scale of this magnitude.

Another particular challenge in New York is the lack of available hotels and rental units for displaced storm victims. FEMA has issued millions of dollars for transitional housing and temporary rental assistance, but vacancies in which to use that money are hard to find, and the reimbursement rates are often too low for whatever is available.

The lack of a viable long-term housing plan is one of the biggest challenges we face going forward. All levels of Government need to work together to solve this problem. Our most basic responsibility is to ensure that people have a safe place to stay following a storm, and yet it is the biggest question for which we now have no answer.

For people who can stay in their homes, we are hearing increasing reports about environmental contamination from toxic mold, sewage, and other hazardous substances. Although there are some resources available to assist with the cleanup, in many cases it is

inadequate, particularly for those living and working in densely populated buildings that share common spaces and HVAC systems.

Given New York's recent history with environmental hazards caused by the collapse of the World Trade Center on 9/11, we know all too well the danger presented by indoor contamination. We must not repeat the mistakes of 9/11 by leaving people to their own devices to clean up complex toxins in their homes without proper guidance and assistance from the Federal Government. I have asked the EPA to conduct or oversee comprehensive testing to ensure that people's homes and workspaces are safe to inhabit, and I urge my colleagues to join in that request.

I am also concerned that OSHA rules are not always being followed and that many cleanup workers are not being given proper protective equipment. This is another mistake from 9/11 that is too often repeated in response to disasters, and I have asked OSHA to ensure that its rules are adequately enforced.

State and city agencies estimate the cost to repair the damage caused by Hurricane Sandy will be at least \$40 billion for New York State alone. Within New York City, the mayor estimates public and private losses of \$19 billion, including \$4.8 billion in uninsured private losses and \$5.7 billion in lost gross product from business closures.

For many small businesses, who are already operating on a thin profit margin or who are only now paying off loans from 9/11, the SBA loan program will not suffice. We will need to provide grants or some form of direct aid, as we did after 9/11, if we want these businesses to survive.

With costs this high, New York State and New York City, like its counterparts in the region, cannot shoulder this burden alone, and the standard FEMA reimbursement process will not work. The State and the city do not have billions of dollars sitting in their coffers to advance to fund repairs, and FEMA reimbursement is slow and cumbersome. In fact, New York is still waiting on the payments for Hurricane Irene. And I am sure many of my colleagues have had similar experiences in their States. That is why we will be requesting that the Hurricane Sandy supplemental be distributed through the various agencies in direct aid to affected areas, as we have done at times in the past to expedite recovery.

And we must pass an emergency supplemental without requiring offsets, as some have suggested in past disasters. As the current debate over the pending sequestration shows, finding offsets is no easy task, and it makes no sense. It defies the very nature of emergency aid, and it impedes the Federal Government from doing its most important job: protecting our citizens when calamity strikes.

It will be expensive to rebuild, but we must. And it would be foolish not to do so with the next storm in mind, which will undoubtedly come. We must fortify our shorelines and seawalls and better protect low-lying areas from storage surge. I expect the Army Corps to finally construct the Coney Island shorefront protection project. It is fully funded. The local match is already secured, and it was ready to go out to bid this summer.

The Corps must move forward as originally intended without delay, but, frankly, that is the bare minimum we could do, and it

is not enough. We should invest in research and explore technologies to better protect our road and rail tunnels from flooding. We should allow the MTA to upgrade its aging transit system rather than require it to use Federal funds to replace a 70-year-old switching system with equivalent 70-year-old technology. And we must have a better plan for restoring power lines and gas supplies.

Hurricane Sandy should be a major wakeup call. When disaster strikes, our densely populated urban areas and economic centers must be able to recover quickly. If we are going to invest billions of dollars in rebuilding storm-ravaged areas, we should do so in a way that will protect people from future storms. And we have every reason to believe that major storms will threaten us again and soon.

The devastation and chaos brought by Hurricane Sandy have had a lasting impact on our city and region, and the lives of thousands of New Yorkers are still upsidetown. But if we all stand together, we can rebuild quickly, stronger, and better than before.

Again, Mr. Chairman, I thank you for holding this hearing, and I look forward to hearing from the witnesses.

Mr. MICA. Thank the gentleman.

And from nearby New Jersey, we have the gentleman from New Jersey, Mr. LoBiondo, who was also hit by this storm.

You are recognized, sir.

Mr. LOBIONDO. Thank you very much, Mr. Chairman and members of the committee.

As many of you know, I represent the Second Congressional District in southern New Jersey. It is a little bit more than a third of the State, geographically, with an awful lot of coastline. We faced catastrophic destruction with the storm and as a result of the storm. The images speak to the sheer destruction. The personal story of those affected detail the physical, emotional, and financial toll on our community and their residents.

I spent a great deal of time on the ground visiting communities, discussing the response and recovery with emergency management officials, meeting individually with constituents and business owners who are determined to not let the storm stand in the way of getting back on their feet. But we need to work together, and that is why I have joined with my colleagues in DC to ensure that Congress provides additional Federal support that has been requested and is desperately needed.

Even though the coverage of this devastation has left the front pages of many media outlets, it is still in the forefront of my mind and the minds of my constituents, who are responding with strength, courage, and resiliency as they do their best to pick up the pieces in an unprecedented recovery effort that is underway.

When President Obama visited Brigantine, which is in my district, he also saw firsthand the way this storm has impacted individuals' livelihoods and how their ways of life have been forever changed due to the horrific flooding and wind.

To date, Federal Emergency Management Agency—and, Mr. Fugate, we thank you for what you are doing and thank you for being on the ground that day in my district—along with U.S. Small Business Administration, Department of Agriculture, Department of Housing and Urban Development, and other Federal agencies

and departments, have truly been boots on the ground, ensuring disaster assessments are being conducted in a timely manner. These emergency management personnel have gone above and beyond the call of duty, many of them working around the clock tirelessly to ensure the safety of our residents, and they deserve tremendous praise.

Likewise, Governor Christie has shown tremendous poise and unwavering leadership during this crisis, coordinating all of the different emergency response units and leading the State, maybe very importantly, in the days prior to the storm hitting as well as during and after the storm has hit.

However, it is going to be a long and challenging road ahead, a challenge my colleagues in the New Jersey delegation, including my friend Congressman Sires, and I recognize and are prepared to deal with. The most recent damage assessment by Governor Christie of approximately \$37 billion for all of New Jersey makes it clear that the State will not be able to handle this financial burden alone and emergency supplemental funding will be needed.

I am working with President Obama's administration and the House leadership, as a long recovery is planned, specifically: requesting funding for the Flood Control and Coastal Emergencies Account; imploring the President to fund all previously authorized Army Corps beach and flood control projects in New Jersey; requesting a Federal fisheries resource disaster declaration for New Jersey; expediting an emergency supplemental bill to the floor to provide Sandy relief; and insisting that redtape be eliminated and minimized and the bureaucracy be set on notice to get everything moving, just to name a few of the things.

Congress has worked together in a bipartisan and bicameral manner in the past to respond to other national natural disasters. New Jersey and the States affected by this storm should not be treated any differently than any of these past natural disasters. So we are expecting that when it comes to Federal relief and recovery efforts from Hurricane Sandy, we must stand ready to provide the aid and assistance to the people and communities devastated by this storm as we have done for other States and other parts of the Nation when this has hit.

I thank the witnesses for being here today to testify. I look forward to hearing their testimony on the recovery efforts from previous disasters and lessons learned by the recovery effort that may help inform us as we move through this latest disaster.

Mr. Chairman, I thank you very much.

Mr. MICA. Thank the gentleman.

Another gentleman from the hard-hit State of New York, Mr. Bishop.

Mr. BISHOP. Thank you, Mr. Chairman. In the interest of time, I won't make a formal opening statement, but let me just make a couple of points.

First, I want to thank Mr. Fugate from FEMA and General Walsh from the Army Corps for the effectiveness of your response thus far to the thousands of homeowners in our district that were dislocated by the storm. And particularly with respect to the Army Corps, we had three new breaches, and the Army Corps has moved very quickly. One has already been closed, one is in the process of

being closed now, and a third is being reviewed to see if it will close naturally. So I thank you very much for that.

An observation: The engineered beaches in our district fared vastly better than the nonengineered beaches. I think that is, in my view, an open-and-shut argument for beach nourishment and for the role that the Corps can play in stabilizing our shoreline.

And, thirdly, let me echo what Mr. LoBiondo and Mr. Nadler said with respect to the necessity for an emergency supplemental. We absolutely need one, and we need one without offsets. That has been the way this Congress has responded to natural disasters elsewhere in this country. We need to respond in the same way, with the same degree of commitment as we did for Katrina, as we did for the tornadoes in the Midwest, as we have for fires elsewhere. So I very much hope that our colleagues on both sides of the aisle will respond quickly and appropriately for the need for an emergency supplemental without offsets.

With that, I yield back, Mr. Chairman.

Mr. MICA. Thank you.

And we do have another Member from New Jersey, also hard-hit State, as you know. Pleased to recognize Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman, for holding this hearing today.

I will just agree and echo, and I won't repeat myself, with my colleague from New Jersey, LoBiondo. I think he said it best when he made those statements, and I agree with my colleagues from New York. But I would like to make a couple observations.

You know, I represent what they call the Gold Coast, which is the Eighth Congressional District. Hoboken, Jersey City, Bayonne, that area got hit very hard. And one of the things that is still not clear is, when is the PATH in Hoboken going to be ready for people to go into New York City? You know, right now they are taking the ferries, \$9; the PATH \$2.25.

I spoke to a former Congressman, Frank Guarini, who still has no power in his building in Jersey City. So we are just wondering if anybody can talk a little bit about that. It is a whole building.

I also would like to compliment all of you because every time I made a phone call people got back to me. You were terrific. I don't know how you do it, staying so calm when people are yelling at with you all their frustrations. But I certainly compliment you, Mr. Fugate; and I want to compliment you, because the Army Corps of Engineers has always responded professionally; and everybody else.

But certain things we have to certainly do. We have to certainly coordinate the fuel situation better. You know, in my district, it was difficult to get the fuel. And I expressed this to Governor Christie, about possibly getting generators for some of these places, and he suggested that at some of these places the problem was the hookup. It wasn't the fact that you did not provide the generators.

The other issue that I have in Hoboken, you know, it is a very congested area. A lot of people live in basements, and their basement is their home. It is their first home. And they want to know, you know, what is going to happen to them. So there are a lot of questions.

And the last thing, which is my pet peeve, is we had so many people volunteer, come into the State to help, and it did not seem

it was well-coordinated with the power companies. We had trucks parked behind hotels, people in the hotels, and two blocks away in Weehawken, New Jersey, people had no power. There has to be a way of working the coordination when so many people want to give of their time and volunteer to help other people, that we must find a way to coordinate these people as they come into any State, so you can send them into the most devastated area.

But I just want to thank you.

And thank you for the extra time.

Mr. MICA. Thank the gentleman.

If there are no other Members that seek recognition—oh, I am sorry, Ms. Edwards. And thank you also for joining us in the committee visit to the affected area. Ms. Edwards, you are recognized.

Ms. EDWARDS. Thank you, Mr. Chairman. And I do appreciate being able to visit the storm-affected areas in Staten Island and through New York City.

I think that although we didn't have tremendous impacts here in the Washington, DC, metropolitan area from Hurricane Sandy, there were some. Certainly, our State in Maryland, as we heard from my colleague from the Eastern Shore, had damage there.

You know, one of the things that it occurs to me, Mr. Chairman, is how important it is for us to have actually been able to visit and to see some of the damage firsthand and to meet with local officials and with residents because I think it gives you a different perspective about what the need is for recovery. And for me as a Member, even though there is not a personal concern for my congressional district, it makes me a stronger and better advocate for the people in the worst-affected areas.

Also, on the ground, I will say to Administrator Fugate, your personnel on the ground remind us of the importance of a strong and talented and equipped Federal workforce. And I really appreciate that. And I think for all of the time that is spent beating up on our Federal workers for various reasons, we heard over and over and over again how competent and talented and organized and resourceful the assets are on the ground.

It is also true that, you know, while there have been clearly, as was pointed out to us both by the chairman and other Members as well as the officials in New York, you know, problems with payout for previous storms, we have to clear those things up, but it shouldn't stop us from moving forward and from making a commitment to the people of all of the storm-affected areas that we are going to provide what is necessary to rebuild and to replace.

I hope that the members of the panel today will address questions regarding how we need to rethink our infrastructure in light of these kinds of storms in these low-lying areas. The elephant in this room that needs to be spoken about is the impact of climate change and the increasing intensity of storms and the variedness of the storms, the breadth of a storm like Sandy. And I think that we have to rebuild and rethink our infrastructure in those terms. And that is something that this Congress and our next Congress ought to address sooner rather than later.

Things like our power grid in densely populated areas; what is it that we can better do to better protect them to make sure that we are able to bring them back on line as soon as possible? Our

water infrastructure, sewer infrastructure that is located close to the coastline so that it is more vulnerable; and of course our transit infrastructure. To know that at least one tunnel in New York that is brand-new is devastated. And the tunnels, the tubes are old. And while the city, I think, has done an amazing, amazing job in getting things back on line and people moving from one place to another, that infrastructure is really vulnerable, as it is vulnerable all across this country.

And so I think, you know, at a time where we are constantly haggling, as sometimes we need to, over budget constraints, the importance of investing in this infrastructure now so that we don't make it more vulnerable later on needs to be high on the priority list because the damage to us in terms of our long-term economy and competitiveness I think is really huge.

Mr. Chairman, in addition, I think one of the things that we will come to learn, and not in this committee, is that we are challenged by our weather prediction assets, as well. Although we had a lot of warning with Sandy, it allowed for prepositioning and for moving in assets, that that is vulnerable to budgets as well. And the impacts, whether on the east coast or any of our other coastal areas, will be tremendous.

And then lastly, I know with respect to Maryland, although I want to hear addressed why it is that we were denied the final kind of recovery and rebuilding, I understand the importance of balancing when it is appropriate for Federal and State assets to take over. And we have had the great benefit of Maryland being provided assistance in the last year's derecho and the three blizzards the year or two previous to that and in other storms. Maybe our Governor will appeal that decision. But I am just interested to know the process by which FEMA goes about making a final determination.

And I thank you all for your testimony today.

Mr. MICA. If there are no other Members that seek recognition, then we will go now to our panel of witnesses.

And we have today appearing before the committee Craig Fugate, the Administrator of FEMA; Major General Michael Walsh, Deputy Commanding General, Civil and Emergency Operations for the Corps of Engineers; Mr. Fred Tombar, and he is the senior advisor to the Secretary for Disaster Recovery with HUD; Mr. Robert Latham, executive director of the Mississippi Emergency Management Agency; Mr. Mark Riley, deputy director, the Governor's Office of Homeland Security and Emergency Preparedness, State of Louisiana; and then Mr. David Popoff, and he is the emergency management coordinator for Galveston County, Texas.

So, first of all, welcome. Thank you for your participation.

The order of business will be we will hear from each of the witnesses; then we will go to questions. And I was told—we don't want to delay Mr. Fugate. So what we will do when we go to questions, we will limit the first round of questions to Mr. Fugate and then get the rest of the panelists, if that is—well, that will be the way we are going to do it, so just want to let you know upfront, to accommodate the Administrator's schedule, particularly in this very difficult timeframe that he faces.

So, with that, let me welcome the gentleman, former gentleman from Florida, who we are very proud of to have had us help in so many ways in Florida. And I think we are prone to every disaster. We have had hurricanes, multiple hurricanes, we have had floods, we have had fires. Everything but locusts we have dealt with. And now he is here leading the Agency in the capacity of FEMA director.

So welcome. You are recognized.

And let me tell you, too, I saw some long testimony here. You all have 5 minutes. Longer testimony we will put in the record. And some folks have done a great job in preparation. But this is an opportunity to summarize that and also have a discussion about where we are.

So, Mr. Fugate, welcome.

TESTIMONY OF HON. W. CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY; MAJOR GENERAL MICHAEL J. WALSH, DEPUTY COMMANDING GENERAL, CIVIL AND EMERGENCY OPERATIONS, U.S. ARMY CORPS OF ENGINEERS; FREDERICK TOMBAR, SENIOR ADVISOR TO THE SECRETARY FOR DISASTER RECOVERY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; ROBERT R. LATHAM, JR., DIRECTOR, MISSISSIPPI EMERGENCY MANAGEMENT AGENCY; MARK RILEY, DEPUTY DIRECTOR, GOVERNOR'S OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS, STATE OF LOUISIANA; AND DAVID J. POPOFF, CHIEF EMERGENCY MANAGEMENT COORDINATOR, GALVESTON COUNTY OFFICE OF EMERGENCY MANAGEMENT, STATE OF TEXAS

Mr. FUGATE. Thank you, Mr. Chairman, Ranking Member Norton, and other members of the committee.

Mr. MICA. Could you pull that up a little bit, Craig?

Mr. FUGATE. Yes, sir. Is that better?

Mr. MICA. Yeah.

Mr. FUGATE. You know, I submit my testimony for the record, and my talking points are here, so I will keep it brief.

Mr. MICA. Without objection, it will be included in the record.

Mr. FUGATE. First thing, Mr. Chairman, I want to thank this committee and the House of Representatives for finally recognizing the sovereignty of the federally recognized tribes in your legislation which would have added them to the Stafford Act, allowing those tribes to request from the President a disaster declaration. That was an historical act that the House took. And, again, we eagerly await the Senate's action on that.

The second thing, Mr. Chairman, I need to thank this committee and the appropriators for fully funding the Disaster Relief Fund in the previous budget. Those of us that were here remember Hurricane Irene and knew the challenges we had with very little funds left in that account and how it affected the response. Right now, in the Disaster Relief Fund we currently have a balance of \$4.88 billion that has not been obligated yet.

However, we do anticipate with Sandy, as well as other outstanding disasters—Congressman Long, we are still working in Joplin. We have still got people that need housing. We are still re-

covering from Irene. We had Isaac earlier this year. We had Debby in Florida. So we are working with the administration on what that supplemental request will require.

The response to Sandy I think was due in part to a lot of the reforms that this committee took to amend the Stafford Act in the Post-Katrina Emergency Management Reform Act. It clarified roles and responsibilities and gave us tools that we have been able to utilize successfully.

Challenges remain. And I think some of the questions, as we talk about how we are looking at the longer term recovery, actually come from the requirements of that act. One of the things that Congress directed that FEMA was to develop was a long-term recovery plan. We have developed the National Recovery Framework that recognizes that FEMA programs by themselves will not successfully recover from storms of the size of Sandy. We have both preexisting conditions, and we have other areas where FEMA programs are not the best tool to engage in the types of work that will need to be done.

And so, in recognizing that and using the framework, we partner with HUD. And the President concurred that it made sense that FEMA's programs, which FEMA will continue to administrate, all those funds out of the DRF, all the recovery dollars, all the individual assistance, all the mitigation dollars, will be administered through the States at the Governors' direction based upon eligible requirements.

However, those programs by themselves will not address the pre-existing housing conditions, as was pointed out, where people who lived in basements have nowhere to go. We will have a lot of challenges dealing with the housing needs far beyond the FEMA repair programs. And that is why it is so important that HUD, Army Corps of Engineers, U.S. DOT, and other programs that will be required receive the funding, but that FEMA's programs, working in partnership with the rest of the Federal team, will be working to support the Governors and their communities in recovery.

The other lesson that we learned from Sandy, as was pointed out, is when you have a disaster of this size and this magnitude, it takes a lot of people, it takes a lot of resources. Some of those resources, because of the way that you have supported FEMA in our budget, allowed us to do things this year we had not had before, one of which is a partnership with the Corporation for National Service, in utilizing their AmeriCorps program, where we had just brought in the first classes under a program called FEMA Corps and deployed people in support of our response. These individuals, many of them very enthusiastic in their opportunity to serve this country, were there on the ground in the hard-hit States providing direct services and helping people register with FEMA assistance.

Another thing, Mr. Chairman, that we took from your bill is something that we know is a regulatory impediment, is that we have not allowed jurisdictions to use straight time or their regular public works and other debris folks to pick up debris. We always said it had to be the extraordinary costs, oftentimes causing the unintended consequences of greater costs as they contracted out for services rather than using their own resources. The President con-

curred, and through emergency rule we were able to provide for Sandy force account or direct cost to local jurisdictions for picking up debris as a result of Sandy.

Again, we have tried to address the concerns of this committee, and, where we can, we have implemented those procedures.

One last thing that we have done, in working with our partners, is we recognized that the current household reimbursement that we would provide under individual assistance is capped at about \$31,000. We know that is insufficient to provide repairs to many of the homes that were heavily damaged. However, if we can provide temporary repairs, many people can get back in their homes while awaiting more permanent assistance, which may require other Federal programs.

So rather than being constrained by that, we actually used our shelter authorities and are providing expedient repairs to homes that allow people to get back in their homes but do not necessarily constitute permanent work, reducing demand for temporary housing and allowing the people to stay in their communities. Again, these are authorities that we have been using to address the fundamental issues.

But I want to get to the last thing, Mr. Chairman, you and the ranking member brought up, and that is how do we further speed up the process while maintaining accountability and ensuring that work that is to be performed in a disaster is that that Congress has authorized, without necessarily treating it as a reimbursement process that takes indefinite timeframes to complete the review and rebuild cycles.

We have identified impediments and are willing and are eager to work with your committee on technical language to address some of the shortfalls that we have incurred in Sandy and continue to provide questions for us as we attempt to look at how to speed up more of an estimate process that provides protection for both the applicants but also the Federal Government, and also ensure that we don't unintentionally create situations that may result in IG findings that could de-obligate substantial funds from jurisdictions after the fact.

I think being a steward of the money sometimes, Mr. Chairman, is if we can't do it, we need to say no and not make promises or allegations that we can do something we can't. But when we do make a decision, I want those decisions not to penalize local jurisdictions if, after the fact, the IG finds other issues which would result in deobligations.

And so with estimates, we want to make sure that as we go forward we are providing fiscal accountability to the taxpayer but also ensuring that the applicant isn't in a double jeopardy where perhaps the IG finds that they may have had a project that the funds weren't all required. Do they have to pay back the funds overages, or can they use those in their programs? What happens if we find that in those programs, they came up with an alternative project, and is the IG going to find that that was not allowable? So we want to work with the committee and look at technical language that would ensure that as we do these estimates, they are done in good faith, both the applicant and the Federal Government have equal protections, but more importantly, it addresses issues, how

many times can the applicant appeal that decision? How many times do we go back and look at projects, and what happens if the original estimate is up or down a certain amount, what happens to those shortfalls or to those surpluses? And we will need guidance from Congress to answer some of those questions, Mr. Chairman.

Mr. MICA. Thank you for your testimony.

We will now move to General Walsh with the Corps of Engineers.

General WALSH. Good morning, Mr. Chairman and members of the committee. I am pleased to testify on the Corps activities to prepare for, respond to, and recover from Hurricane Sandy.

In partnership with other Federal agencies and States and numerous local entities, the Corps has engaged in a multitude of response activities in an effort to mitigate the risk to public health and safety and to facilitate the recovery of this severe weather event. The Flood Control and Coastal Emergencies Appropriation Account provides funds for the Corps of Engineers to prepare for and implement emergency response activities to natural disasters, including flood fighting, infrastructure, search-and-rescue operations, and rehabilitation of flood control and hurricane protection structures.

Disaster preparedness activities include the coordination, planning and implementation of response exercises with local, State and Federal agencies. These exercises provide Federal and non-Federal agencies an opportunity to plan for natural disasters and learn about partner agencies' capabilities, resources and their responsibilities.

Corps leaders, including district commanders and tribal liaisons and emergency management staff, regularly meet with State, Federal and local officials and other interested parties to discuss Corps authorities under our Public Law 84-99, which authorizes the Corps of Engineers to undertake activities relating to advanced preparedness, emergency flood fighting operations and rehabilitation of eligible flood control works or shore protection features adversely impacted by flood and storm events.

These meetings provide an opportunity to share lessons learned from previous flood events and conduct table top exercises, review flood fighting techniques and strengthen the collaboration among the Corps, State and local governments, as well as tribal entities.

In preparation for Hurricane Sandy, the Corps took steps to ensure its personnel, facilities, and equipment were prepared and prepositioned before the event. The Corps took preventative measures, such as lowering the pool elevations behind our dams; closing hurricane barriers in Rhode Island, Massachusetts, and Connecticut; moving Corps vessels into safe harbors; and securing Corps construction projects and facilities.

The Corps also deployed mobile command-and-control vehicles to key locations, prepositioned power generators and moved them into intermediate staging areas, located 512 truckloads of water to move into New York and New Jersey, as well as issued approximately 200,000 sandbags to the States.

The Corps conducted pre-storm inspections along the coast by updating survey plans and employing extensive use of LIDAR, an optical remote sensing technology that is used to assess existing conditions on shoreline protection features. Personnel were activated

to the district and division emergency operation centers, liaison officers were deployed to State emergency operation centers, and emergency support function team leaders and their assistants were assigned to the States. Before and during our response to Hurricane Sandy, the Corps continued its tradition of close collaboration and coordination with the Federal, tribal, and State partners. The Corps participated as an integral part in FEMA's Joint Information Center, coordinating activities among all the responsible agencies and transparently communicated with all the affected parties.

Described as a superstorm, Hurricane Sandy brought over 80-mile-per-hour winds and storm surges above 13 feet. Flood damages in the hardest hit areas severely impacted public infrastructure, flooding subways, highway tunnels, public housing structures, wastewater treatment plants, causing extensive power outages, impacting mass transit systems, and affecting public housing as well as private residents. Although the north Atlantic shore suffered severe coastal storm damage, existing Corps shoreline protection and beach nourishment projects performed as designed and helped mitigate the flood damages.

In response to the disaster, the Corps of Engineers moved folks from six different districts, and their division emergency operation centers were activated in numerous response, and we surged a number of members forward. The Corps responded to mission assignments from FEMA and provided over 1,000 highly trained technical personnel, including the 249th Prime Power Battalion, to 13 States.

To date, the Corps has accepted 69 FEMA missions for over \$380 million to New York, New Jersey, Massachusetts, Delaware, Ohio, Pennsylvania, Connecticut, West Virginia, and Rhode Island. These missions include emergency support function management, as well as technical assistance, temporary housing, commodities, temporary power, and debris management and removal. We worked closely with the Coast Guard to determine threats to navigation and waterway closures, and affected ports were cleared for operation.

In conclusion, the Army Corps of Engineers continues to stand ready to respond to and assist in disasters like Hurricane Sandy.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions from you and other members of the committee.

Mr. MICA. Thank you. And as I said, we will hold questions.

Mr. Fred Tombar, senior advisor to the Secretary for Disaster Recovery with HUD. Welcome. And you are recognized.

Mr. TOMBAR. Thank you.

Chairman Mica, Ranking Member Norton and members of the committee, thank you for the opportunity to testify today regarding Federal actions in the aftermath of Hurricane Sandy, particularly by the Department of Housing and Urban Development.

As senior advisor for disaster recovery to HUD Secretary Shaun Donovan, I have been deeply involved in those activities, including with respect to the role that President Obama has announced for Secretary Donovan.

As I described in my written testimony, Hurricane Sandy and the nor'easter that followed caused widespread damage and forced

hundreds of thousands of families from their homes. This is an issue of particular concern to me, as I directed a key project in response to Hurricanes Katrina and Rita, the Road Home Program in Louisiana. This project served as the single largest housing recovery program in the history of the United States.

As someone born and raised in New Orleans, I have seen first-hand both the devastation that storms like Sandy and Katrina have brought and the tremendous results of sustained and effective recovery and rebuilding efforts.

Let me describe HUD's participation in the ongoing response and focus on recovery efforts concerning the storm and discuss the role that the President has announced for Secretary Donovan with respect to Federal rebuilding efforts. HUD has played a significant role in response to recovery from past major storms and is doing so with respect to Sandy.

It is important to note the unprecedented cooperation that is taking place across the Federal family and in cooperation with State, local, and tribal authorities. This cooperation and partnership is how we will continue to speed the recovery of affected areas. Key to HUD is providing immediate help to storm-displaced families to find temporary replacement housing. We have identified thousands of housing units, including more than 12,000 in HUD subsidized housing.

HUD has also focused on help to persons living in and owners of HUD-assisted housing damaged and destroyed by the storm. For example, to rapidly deliver safe and decent housing to displaced public housing and subsidized multifamily housing residents we are helping to temporarily find places for these persons, giving boilers and generators to impacted developments that house low-income families, and waiving administrative requirements.

Relief from the storm cannot be accomplished by the Federal Government alone. That is why HUD is working to encourage the private sector to help displaced families. Shortly after the storm, HUD Secretary Donovan reached out to several private sector organizations to encourage their involvement in this effort and a number have stepped forward. We have deployed scores of HUD personnel to help staff FEMA's disaster recovery centers and do other storm-related work.

HUD has provided foreclosure protection to more than 200,000 homeowners in affected portions of the tri-State area who are storm victims, through a mandatory 90-day moratorium on foreclosures. For storm victims who must rebuild their homes, FHA insurance is available for new mortgages, providing borrowers 100 percent financing, including closing costs. HUD has directed FHA lenders to provide insurance payments they receive related to the storm directly to homeowners to avoid a problem that occurred after Hurricane Katrina, where some mortgage companies used insurance payments that were supposed to be used to rebuild damaged homes for other purposes.

HUD is also providing help to affected State and local governments. For example, we have provided waivers to existing rules so that Federal Community Development Block Grant and HOME funds can be used for disaster relief.

On November 15th, President Obama announced that HUD Secretary Donovan will lead the coordination of Federal action relating to Hurricane Sandy rebuilding efforts. This role is different from the role the HUD Secretary usually carries out with respect to disasters in relation to the National Disaster Recovery Framework. Early in his first term, President Obama recognized that previous experience concerning Hurricane Katrina highlighted the need for additional guidance, structure and support to improve how we as a Nation address disaster-related recovery and rebuilding challenges.

In September of 2009, President Obama charged the Departments of HUD and Homeland Security to work together in an effort to establish the Long-Term Disaster Recovery Working Group, composed of more than 20 Federal agencies, HUD, DHS and the working group consulted with State and local governments, as well as experts and stakeholders, and worked on improving our approach to disaster recovery and on developing operational guidance for recovery efforts. As a result, FEMA published a final version of the NDRF in September 2011.

The Secretary's responsibilities in this additional role will occur in coordination with the NDRF and will involve cooperating closely with FEMA and other agencies already involved in the recovery efforts. A key objective, as President Obama has directed, will be to cut redtape for State and local governments and tribes as they seek Federal assistance for longer term projects and identify priorities for community development. As a person who has been the lead for Secretary Donovan since the start of the administration on disaster recovery, I can tell you that cutting redtape and helping communities recover stronger, safer and smarter than before is a responsibility he takes seriously.

Work on structure and functioning of this effort is proceeding rapidly. Secretary Donovan has already met with a number of most directly affected Federal, State and local officials, as well as many of his colleagues in the cabinet. He asked me to express that he is looking forward to working with this committee and other Representatives and Senators on this important effort.

Thank you again for the opportunity to testify today. I will be pleased to answer any questions you may have.

Mr. MICA. Thank you.

And we will turn now to Mr. Robert Latham, who is the director of the Mississippi Emergency Management Agency.

Welcome. And you are recognized, sir.

Mr. LATHAM. Thank you, Ranking Chairman Mica, Ranking Member Norton and distinguished members of the committee, for allowing me the opportunity to provide you with a statement for the record on what Mississippi has learned in responding and recovering from more than 20 Presidential disaster declarations since 2000, including Hurricane Katrina in 2005.

Today many communities in the Northeast are facing some of the same challenges that the Mississippi Gulf Coast experienced following Hurricane Katrina. The landscape in these communities is changed forever. Large disasters affect every aspect of a community, where people work, where people live, where they worship, where they raise their families, where they shop and, yes, where

they work. Recovery is a shared responsibility and must be driven by a well thought-out long-term recovery plan. This strategy can only be successful when driven at the local level. I would like to emphasize that; it must be driven at the local level. The absence of such a plan will often result in hasty decisions guided by political posturing and constantly changing priorities.

There are never enough resources to rebuild the way we want to, but that does not mean we can't rebuild better, smarter, safer and more resilient communities. By engaging the whole community, we provide a much better chance for success. Unity of effort, transparency in activities and managing expectations is critical; managing expectations is absolutely critical.

Every decision must ask one question: Is what we are doing in rebuilding best for the community, and more importantly, can we sustain it? In the rush to recover, community leaders sometimes fail to take advantage of unique opportunities they have. By thinking beyond temporary solutions to move to more permanent sustainable solutions, leaders can make the community attractive for repopulation and growth. Basic Government services must be reestablished, and shifts in population must be considered for housing, schools and health care. They must address, how do we stimulate an economic recovery and restore our tax base? And how can we leverage the resources, which are limited, from the very sources to maximize what we want to achieve?

Avoid the temptation to constantly shift priorities for short-term gains. Housing, transportation, schools and business development must be considered when repairing or rebuilding infrastructure. Stafford Act funding never gets you back where you want to be or makes you whole again. Public-private partnerships is critical.

So what are some of the barriers to recovery? The Public Assistance Program is a reimbursement program. Current law restricts FEMA from providing recovery funds based on estimates. Quite often, it makes sense to build a community back with a different footprint than what existed pre-event. When this happens, communities are faced with an extensive approval process for alternate or improved projects. The current Disaster Assistance Policy cap State management cost is 3.34 percent of the Federal share of public assistance program cost; far much too inadequate to help a community recover like it should. Lack of flexibility in the Public Assistance Program often limits or restricts rebuilding a community the way that it should be.

But applicants must understand that they cannot expect FEMA to pay for everything. Understanding Stafford Act eligibility early in the process and managing expectations in this process is critical to minimizing conflict throughout the recovery and delay in rebuilding. Many Federal agencies contributing funds to a recovery project must conduct its own environmental and historic preservation reviews. This oftentimes results in multiple reviews for the same project resulting in extensive delays in the rebuilding.

So what can we do to make the recovery process easier? FEMA and States must continue to work to identify potential opportunities in the PA program to make it easier for applicants, including implementing the results of the PA pilot program that was tested from June 2007 until December 2008. Congress should work with

FEMA to change the language in the law that would allow FEMA to advance the Public Assistance Fund using estimates similar to block grants allowing for flexibility within specific guidelines for applicants, explore additional opportunities for PA pilot projects that can expedite the recovery process and help applicants recover; increased State management costs from the current 3.34 percent cap to 7 percent so grantees and subgrantees can afford what managing recovery actually costs; and streamline environmental and historic preservation reviews.

In the face of disaster comes a tremendous opportunity for a community to build back smarter, better, stronger, safer and more resilient. Every disaster begins and ends locally. Successful recovery demands local leadership with a vision and a strategy and the resources to help achieve their community rebuilding efforts. Decisions must be made based on what is best for the community, not what is best for the State or the Federal Government. Finding ways to make the Public Assistance Program work better and more efficiently could significantly reduce recovery time and expedite disaster closeout. The consequences of every disaster are the same, except for the size of the event, the population and the cost of the recovery. We have to take advantage of the lessons learned in the past if we are to change the future.

I appreciate the opportunity to appear before this committee to share my experiences in disaster preparedness response and recovery in Mississippi.

Mr. Chairman, that concludes my remarks. I would be glad to answer any questions that you or the committee may have.

Mr. MICA. Thank you.

And will now turn to Mark Riley, who is with the Governor's Office Emergency Preparedness, State of Louisiana.

Welcome. And you are recognized.

Mr. RILEY. Thank you. Louisiana is currently managing \$14.5 billion in Stafford Act funding for the recovery from nine Presidentially declared major disasters since Hurricanes Katrina and Rita struck in 2005. As a result of these events, we think of Louisiana as the largest living laboratory for recovery in the Nation, and we have a lot of experience.

On behalf of the State of Louisiana, I would like to thank this committee for the opportunity to discuss our experiences with disaster recovery.

Thank you, Chairman Mica, Ranking Member Norton and distinguished members of the committee, for taking an interest in providing leadership in this very vital discussion.

Currently, there is considerable conversation among recovery professionals in both the public and private sectors that Federal recovery assistance needs to be rethought. We agree. The current process is too cumbersome, too bureaucratic and does not support the rapid, strong, resilient recovery of a community. Today we want to talk about the difficulties of recovery which Louisiana has experienced and New York, New Jersey, Maryland, and other States impacted by Hurricane Sandy are beginning to experience.

Although we are discussing the Federal recovery process, that process is only one of the challenges that communities face during recovery. Seven years after the Nation's largest disaster, Hurricane

Katrina, communities in Louisiana are still struggling, and the problems exceed just the implementation of the Stafford Act. To illustrate the issues of delivery of the Stafford Act Public Assistance Program, I would like to present an exhibit to your right and bring your attention to the foldout that was provided to the committee. It chronicles the project worksheet of the development of the Youth Study Center in New Orleans. Before I begin, let me emphasize that this is not an anomaly but is typical of thousands of facilities that were damaged by disasters in Louisiana. The Youth Study Center had significant damage. And from the city's perspective, supported by an analysis from its professional architects and engineers, the building was eligible for replacement under the Stafford Act.

However, a year after the storm, despite the assessment from the city's professionals, FEMA would not agree that the building needed to be replaced and fixed the value of repair at \$1.6 million. More than 7 years later and 182 meetings, FEMA has agreed to the replacement of the facility at \$27 million, an increase of \$25.5 million, but they still do not accept the architect and engineer's design assessments as to the number of pilings that are needed to support the facility. That shortfall is still \$1.2 million. If we come to an agreement by the end of the year and after the city engages in design bid and construction, it is projected that the building will be completed in the year 2016, 11 years after Hurricane Katrina made landfall. As the timeline illustrates, this process does not support a rapid recovery.

To compound matters, FEMA has limited the availability of direct administrative costs. In our single example, the city has incurred considerable cost preparing for and attending the 182 meetings for the Youth Study Center. These costs will not be recoverable under the new FEMA policy, further inhibiting the city's ability to recover.

Again, the Youth Study Center is not an anomaly. The challenges they face can be multiplied by thousands of similar projects across Louisiana. Another example is Charity Hospital in New Orleans. Originally estimated at \$28 million for repair, we were finally able to break ground this year, after 7 years of disagreement and bureaucracy, for a replacement hospital valued over \$530 million.

Just for Hurricanes Katrina and Rita, we have over 2,000 projects that have doubled in funding. More than 450 have grown by a factor of 10. And 1,300 projects have been amended more than five times. Clearly we need a recovery program that results in more accurate and timely identification of eligible work.

In my written testimony, you will see some recurring themes. The size of a disaster significantly changes the requirements of delivering of disaster assistance. Time is critical. The FEMA PA program is too complex. Existing policies and processes are inconsistently applied at the ground level. Policies are inconsistent with the Stafford Act language and intent and limit authorized recovery support. Capacity for recovery from catastrophic events is limited at all levels, but especially at the local level.

Let me be quick to say FEMA is a good partner, especially in the response phase. However, it is our experience that the regulatory

process and its implementation is unnecessarily highly bureaucratic and cumbersome, seriously complicating a community's recovery from a disastrous event. Again, I thank the committee for its leadership and attention to recovery issues, and I am available for any questions.

Mr. MICA. Thank you.

And we will turn to David Popoff, for our last witness, with Emergency Management for Galveston County, Texas.

Welcome. And you are recognized.

Mr. POPOFF. Good morning, Chairman Mica, Ranking Member Norton and distinguished members of the committee.

I am honored for the opportunity to provide testimony on this important topic. I along with a small and highly skilled staff are responsible for overseeing disaster response and recovery for all the unincorporated areas of Galveston County. I report directly to County Judge Mark Henry.

First of all, I would like to thank the committee for their strong support in the Emergency Management Performance Grant Program, which is critical for building emergency management capacity at the local and State level. I would also like to thank you for your critical role that you played in the post-Katrina Emergency Management Reform Act to strengthen FEMA.

Galveston County has a population of 300,000, which includes Galveston County and the Bolivar Peninsula. With about 60 miles of coastline, our population swells during hurricane season. Most of the population in Galveston County lives in the 10 incorporated cities on the mainland. Galveston County is a great place to live, work and play.

Since 1960, Galveston County has been declared a Presidential disaster area 19 times. Galveston County also has the unfortunate distinction of being home to two of the worst Nation's disasters: the 1900 storm, which killed 6,000 people, and the 1947 Texas City explosion, which killed 581 people, injured 5,000, and vaporized all but one of the members of the Texas City Fire Department. As you can see, I work in a dynamic threat environment, so we take preparedness seriously.

Our hearts certainly go out to all the people impacted by Superstorm Sandy. One of the most critical components of a hurricane response doctrine is never stop learning. Everything we do is learned at the pointy end of the stick. In the last decade, we have had three signature storms that we have learned from. The first one is Katrina. Katrina taught us about mass care and sheltering. From that experience came initiatives to pre-identify shelters and develop more detailed shelter concept of operations and to locate missing people.

From Hurricane Rita, we learned about mass evacuation of major population centers. Who will ever forget the cars stuck in gridlock that ran out of gas in the Texas heat. From that experience, we developed traffic management plans; we developed State fuel teams to supply fuel to people who were evacuating and people who stayed after the storm. We also redefined our evacuation zones through a massive outreach program, and today, we actually use zip codes.

Hurricane Ike was a dangerous storm beyond all preconceptions. Hurricane Ike's path was eerily similar to the 1900 storm. Damage to Galveston County was catastrophic. Early recognition to the threat is critical. They say it was only a Category 1. Reclassifications of hurricanes is a priority one to dangerous, major, catastrophic. We need to stop using the numbers now.

Cooperative relationships are critical. Galveston County has put a great deal forward in bringing together the entire team; the local, the State, the Federal agencies, nongovernmental organizations, private industries. We produce policies, procedures and we plan, train, and we operate together. Evacuation needs to be done, but it must be done quickly and remove the perceived barriers.

The first point-to-point sheltering agreement was penned by the city of Galveston and the city of Austin after Hurricane Rita. No longer will we just tell people to go north and hope for the best.

Reentry and recovery: Hurricane Ike destroyed the infrastructure and disabled most of our modern conveniences. We are fortunate that Texas deployed the Public Works Response Team. Debris removal was a challenge because most of the debris was on private property or in open fields. Bolivar Peninsula was a devastated community, so a local team was formed, and with extensive outreach, we were able to produce the Bolivar blueprint, and Bolivar is now a thriving community.

Jurisdiction struggled with a wide variety of FEMA interpretations of policy, particularly with public assistance. This slowed down the completion of a project. Just as we thought we were in agreement that we reached on a project, it would require us to start over. We applaud the effort of Director Fugate for obtaining consistency in urging his recovery officials to get it right the first time.

In conclusion, thank you for allowing me to testify today. On the Texas Gulf Coast, we say we have two seasons: We say we have hurricane season and preparing for hurricane season. As I have always said, emergency management is open book; we learn from our neighbors; and we won't fail if we use the system. Thank you.

Mr. MICA. Thank you.

I thank all the witnesses.

And as I said, we will turn first for questions to Administrator Fugate, and then we will come back to the rest of the panel. And I will lead right off.

Again, thank you for your work and your efforts and participating with us here today. I was pleased to hear your testimony, much in support of our pending legislation in the Senate and how you used some of that as a template for trying to take action and initiatives, but you do need the law.

I might say one thing to you. I know OMB has not given—I don't think they have given you a sign off on providing us with the specifics, but any technical assistance you can provide to the committee so that we can improve the Public Assistance reforms in our bill, we would welcome that. The bill—you know, 2903, I believe is the number, is over in the Senate—we are welcome to improving that. I heard a couple of suggestions here today, too, that we might consider in reform of our reform bill or additions to our reform bill. But we think that—we believe that, again, hearing the testimony

of folks that have experienced problems, and a lot of the bill came actually from Members who had experienced problems in their own districts or States dealing with past storms, has the tools that will help you. Is that acceptable? Can you agree to participate.

Mr. FUGATE. Yes, sir, Mr. Chairman.

Mr. MICA. OK. Good.

And let me jump now to a couple of major questions. One, you indicated we have about \$4.8 billion left in the account. You have moved quickly to distribute some funds and make up—how long will that last, and how soon do you expect a supplemental bill to come to Congress?

Mr. FUGATE. Well, Mr. Chairman, based upon what we are seeing and some of the obligations, as the Corps pointed out, some of the mission assignments we have already made that have already been subtracted from that, we would look at early spring. We don't have an exact date. Part of this will be as projects are coming forth, particularly on some of the large projects that we are dealing with. But we will look at early spring. We would probably reach the point where we would have to go to immediate needs funding.

Mr. MICA. So you probably won't submit to Congress a supplemental and the administration won't until after the beginning of the year?

Mr. FUGATE. Mr. Chairman, I can't speak to that. I just know that where the DRF stands, we do not anticipate immediate needs funding until early spring. And again, thanks to the work of this committee and others making sure we were fully funded gives us that capability to continue a response. But we are working very closely with OMB as well as other Federal agencies as the administration looks at what additional funds will be required for Sandy.

The one thing I am confident is, Mr. Chairman, FEMA will need supplemental funds, not this calendar year but this fiscal year, in order to continue the response to all other disasters as well as the obligations that will be expended in this fiscal year for Sandy.

Mr. MICA. We have heard other disasters, Irene, still back to Katrina, in which there are obligations that have been made. Any estimate as to what that total is?

Mr. FUGATE. Based upon the \$4.8 billion, that is already factored into what we are requesting—

Mr. MICA. That would cover it?

Mr. FUGATE. Yes, sir. We were actually looking at, based upon your full funding of the DRF outside of Sandy, we actually had funds to go through the fiscal year, based upon not only your appropriations but also as we have closed out older disasters that put money back in the DRF. So we were not anticipating, outside of a catastrophic disaster, any request for additional funding. So, obviously, Sandy falls in that category as a catastrophic disaster. So it will be in addition to all of the existing disasters that we are working.

Mr. MICA. Well, some of the temporary housing assistance we have provided will soon be expiring. Will there be opportunities for renewal? And then you heard one of the things we wanted to do is have HUD in here to explain what they were doing. And could you describe the cooperative effort, and will that be sufficient? But we were in New York and also—well, Manhattan, which is a whole

unique venue for a disaster, and then Staten Island, I guess Long Island, New Jersey. They have very unique housing requirements and also higher costs. So how will what HUD has committed to and the President has said they are going to do coordinate with your efforts?

Mr. FUGATE. Mr. Chairman, the housing program, we are actually looking at three pretty substantial areas. The first one was the temporary sheltering. And that is where maybe the home wasn't destroyed, but they couldn't get back in; they had power outages or other damages. We would provide in cooperation, this is a State request, on a cost share basis short-term mainly hotels, motels, short-term leases, measured in weeks, and we are extending that as the States request it. The traditional temporary housing where people have qualified and are leasing for a longer period of time goes to 18 months and we are working that. The other thing was, and this is something the committee had looked at before, is, how can we repair damaged homes to the point where if they could get back in their homes but it is not permanent long-term work, would that be more cost effective than renting a hotel or renting an apartment? So we are implementing that. But I think you hit upon one of the key reasons why we have been working very closely with HUD. Our programs do not do the permanent work that will be required to ensure there is sufficient affordable housing in these areas of devastation. And that is that part of that rebuilding that the Stafford Act doesn't address, but if we are not successful, we will end up like we did in Katrina where people were in temporary housing units, not for months but for years. We want to avoid that. That is why we thought it was important, why Secretary Donovan stepped up to the challenge as the President asked. If we don't have housing solutions in the short term, the temporary programs will not provide the long-term solution.

Mr. MICA. From information provided by your staff to me earlier, there were 1,100 approximately housing units purchased. I know when we went through Katrina, we had hundreds of thousands of trailers, and we had them condemned because of the formaldehyde, and then we had them in storage and then we had to pay to get rid of them. It turned into a nightmare. Is this the only anticipated acquisition of housing from FEMA? I have also encouraged some temporary housing that could be reused. There are different products on the market. These will—the ones that I was told are not recyclable or would be pretty subject to some type of demolition or disposal at the end, the 1,100 that have been required—or I am sorry, not required; acquired.

Mr. FUGATE. These were units that we had that we moved into the area. We are working with the State housing task force. We did this preliminarily based upon not so much in the urban area but out in Nassau, Suffolk County and places in New Jersey where they indicated that may be a solution. Our preference is rental property. Quite honestly, Mr. Chairman, if we can put money back in the local economy, we would much rather rent than have to do the temporary housing. And we have moved towards manufactured housing to replace the temporary units that we used previously.

But again, we are making options available to the State-led task force. How many they use we are not sure yet, but we thought it

was prudent to move them in the area based upon the initial numbers—

Mr. MICA. Do we have any—maybe you could supply the committee with, because they had told me the same thing but haven't seen any figures, and wondered what is going to be acquired and, again, what the needs will be. We have no assessment complete yet?

Mr. FUGATE. Mr. Chairman, I don't at this point, looking at what I have seen, I don't anticipate us acquiring any more additional units based upon some of the earlier reports. But again, as we work with this housing task force, we are going to find what the longer term needs are going to be. And quite honestly, it is going to come back to how much of that housing can be built in the timeframes that will be needed.

Mr. MICA. Just two quick other questions: One, Katrina got so bad, we had such a backlog. We had the guy from—this guy was in Charity Hospital. And I had that opened up, even though it was closed, and we held a hearing in there to try to move that forward. I guess you are breaking ground you said this year. But we had a huge backlog, thousands I believe it was, of public projects that were being debated. We came back and changed the law and instituted arbitration. But staff tells me that was only good for Katrina.

We don't have that in the 2903, but I would like your recommendation for arbitration or mediation, particularly on the public side, but I mean, it can also work on the private side because sometimes you are held to you know certain requirements and things do get sticky, but they need to get more than anything resolved. What do you think?

Mr. FUGATE. Mr. Chairman, I would like to think we make the best possible decisions we can. But I also recognize, particularly if we go to cost estimates, what happens when we cannot agree with the applicant on that estimate? What is the appeal process? And as the ranking member has oftentimes said, when you are appealing to yourself, the answer is usually going to be the first answer you gave. Why would you change your mind if you already told them no the first time? So I would look at that, sir, as we are looking at how to best facilitate public assistance, either in a grant process or some kind of a cost estimate, is how do we ensure that the States and locals are provided ample protection against arbitrary decisions on the Federal side but, on the other end, we don't create an unnecessary administrative process which then adds a regulatory burden to the Federal taxpayer. So it has got to be balanced. But I tend to come back to—

Mr. MICA. I go back to Mr. Riley's chart you have got up there. He has got the large one up there that everybody can see, and actually produced a brochure. But 7 years of the thing going on and on, there has to be some ability for us to move forward in a more expedited fashion.

Mr. FUGATE. Well, Mr. Chairman, that is one advantage that Louisiana has on all of those outstanding projects that they have not agreed with. They can always go to arbitration.

Mr. MICA. Well, again, the question would be, we have seen what happened in Katrina and we want also our legislation to reflect op-

portunities to resolve this so we don't have these situations occur in the future. So I will take your counsel.

Mr. FUGATE. Mr. Chairman, my recommendation is, you need to talk to the Governors and to the local officials. If we go the route of an estimate, how do we avoid multiple appeals to that, and how would they feel most comfortable that once we do an estimate, we are done? Because I think if we continue to come back after that, it isn't an estimate, it is just a project in another name. But if we go with a true estimate where we say we have made a decision, we are done, I would talk to the States and locals how they want the assurances that later on, they have not made a decision that cost them unfortunately that they didn't get what they needed to be rebuilt.

Mr. MICA. Well, again, we are looking for solutions and also ways to expedite this process. We will work with you. Finally, just one little thing. We have done a good job in the past getting water, some food supplies, things in reserve. And I see now repeated again, and this northeast storm was no different, the difficulty with getting fuel and power, particularly with a jam up we had of people in long lines and everything, it seems like we could contract with simple suppliers and maybe have some equipment. I have seen where they can even put meters on some of these tankers and get them into areas. They prepositioned a lot of the power assistance. We prepositioned, and you have done a good job with food and some basic supplies, but I think we need some plan for prepositioning fuel and power, and we will be glad to work with you on that.

Mr. FUGATE. Mr. Chairman, the inherent danger of trying to replicate what the private sector does every day, just to give you an example, on fuel we had contracted with a defense logistic agency that was providing emergency fuel to responders as well as to some of the public. The total amount which was having to go again oftentimes competing with the same vendors that were doing it locally, so we were having to even bring fuel from further away. I don't think we ever got to one-tenth of what the total demand on an average day was in New York. I think part of this is we need to look back at critical infrastructure, which is primarily owned by the private sector as an investor-based operation and look at how we can ensure resiliency in those systems. For us to replicate that and on the scale that would have been required would be staggering.

Mr. MICA. Again, I don't advocate replicating it. It somehow hasn't worked. I think we need to find a better mechanism for power and then fuel. Power, most of our problems I was told was from the public utility, I guess in Long Island, and they dropped the ball there. The others were prepositioning, and that went off very well. But I meant power to essential fuel generating and also fuel providers. And that can be brought in I think faster in the future. So we should look at that. Not getting into the weeds too much, and we will have some more discussions on that, let me turn to Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman.

I have been listening closely, Mr. Fugate, at what you have been saying about cost estimation, especially since there are difficulties. And you have talked about the appeal process. That seems to be

the basic difficulty. We got so fed up with money lying on the table and the appeals during the Katrina recovery process, that is how we came up with the arbitration notion. One thing arbitration, where both parties have to agree on the arbitrator, is that is the final result. And I am not sure there is any way to get around it. As you have said, and as we said here, you can keep appealing to yourself and expecting a different answer.

Now, I understand there was a pilot project, and I am going to ask you about that first, that there was a pilot project for cost estimation up to half a million dollars, projects of half a million dollars or so. And that while some chose cost estimation, others, which I take it would have been expedited, others chose to go with the old system. And to expand, part of the difference was that if you used cost estimation, you gave them flexibility on straight or overtime; whereas, with the present system, you pay for straight time.

What did that pilot project—how did that pilot project inform you? What did it tell you about whether or not cost estimation is just a figment of our imagination? Here you have done something on the ground that I would respect. What did you learn from the pilot project? Because people could choose one or the other. They didn't choose cost estimation. Why they didn't choose it, I would be interested to know. And I would be interested to know whether or not choosing cost estimation to get rid of debris—nothing is worse than living in such a storm-tattered place and the debris is there month after month after month. Did the jurisdictions themselves believe that better to have it lie there than to go to cost estimation? And if they didn't use it, why didn't they figure they should use it? Why did they go for the sure thing?

Mr. FUGATE. I would hesitate to say exactly why. I know some of the reasons were this. In the cost estimation, if it is going to be working and it is going to be effective, is we come to a number, we agree to it and we are done. I think the concern has always been we may not know all of the cost at the time the estimate is made. And the question was always, well, what if we find out it is going to cost more? If we agreed to the estimate, we can't get any more money. If we go through the traditional process, we literally can come back multiple times as we see incremental cost increase and add those in.

I think, though, with debris we are gaining more confidence in the Corps modeling. And having looked at what the Corps models are versus actual debris cost, I think we can come up to a much closer number. But it is always the concern that if I am an applicant, I always want to come back and if it cost me more money, get more money. Well, that kind of defeats the purpose of doing it as a cost estimate.

I think there is another part of that, though, that does make more sense. And this goes back to the charities and these other big projects. And that is looking at a design-build phase, where we do a design phase where we fund them to come in and take these complex projects, get their cost estimates, get their design, do all of the environmental historical review, come in with the architect or the professional engineer certifying these are the costs and we agree to that. And then the second part of that is, we issue the grant and we are done. That would get a lot of these potential unknowns out

early, it would get a lot of the regulatory issues on the front end, so we know what those costs are, and once we have an agreeable cost, then we issue the grant. As it is now we do a reimbursement process where, again, we don't give them all the money upfront, it is reimbursed, it takes time. We would like to approach that, but we think there is some technical issues we have. And counsel may be more aware of this, but we are running into issues where actual cost versus estimated cost and also, what happens if the project comes in under what we authorized, what happens with those dollars if they have a surplus, and do they have any recourse if it turns out the project cost them more money? And again, we are back to they want to come back and get more funds, which is a more traditional project. So we are working this. We think if we can get the skill to make sure States and the locals are comfortable with these decisions, it is faster for everybody to do this as a block grant estimate versus a project that is reimbursed that literally can take years in the rebuilding process.

Ms. NORTON. Mr. Fugate, have we once and for all gotten rid of the process, which perhaps was even worse for us during Katrina, where the Government hired somebody to do an estimate, the State hired somebody to do an estimate, and we paid for both of these estimates and then we are caught betwixt and between these estimates that we have both paid for? I thought we agreed that that was not the most cost-effective way to get an estimate; that we could agree in the beginning on somebody that we both agree should come up with an estimate and then we would go with it. Are we using that?

Mr. FUGATE. Yes. Let me give you a specific example. I was up at NYU University's Hospital, which was heavily damaged in the flooding. I had my senior public assistance official, Bill Roche, with me. We were walking through the basements. Senator Schumer had brought us there. Devastation. The facility wanted to know what kind of documentation; do we need to get our inspectors down there to look at the electrical system that had been damaged by the seawater? And Bill said, look, if you will get your engineer to certify the damages, we will accept it, we will not have to come down here and look at it. So we are—again, I won't say it is 100 percent. There is probably somebody that didn't get the email. But if you have a licensed engineer, professional engineer, architecture or other licensed individual certifying the damages, we will accept that and have been using that to make those determinations.

Ms. NORTON. That is a very important efficiency, and I commend you on that.

I am very interested in this program that apparently is being used in New York to allow people to stay in their own homes without power instead of going to temporary housing. I don't know if we have ever done that before. It does seem to me that that is very important to do. And does it apply to people that live in apartment buildings? Does it apply to other States other than New York? The only information I have is New York.

Mr. FUGATE. Yes, ma'am. This is something New York has asked. We have made it available to other States to have individual assistance. What we are looking at is those people that cannot take power, you know this is where the power has come back on, but

they can't take power because they had water damage; we are providing funds to do more than just—if you are familiar with the blue roofs, where we do temporary roof repairs trying to get people back in their homes, we have extended this to look at what things can we do just to get the power turned back on so people could stay in their homes and not put a demand for other housing assistance at a much greater cost to the taxpayer. It didn't mean we are doing all the repairs, but we are doing just enough to get the power back on. In some cases, because of the way their homes are built with basements, we are having to look at also water heaters and boilers. But we are just doing enough so they can get back in their home. They are still going to have to take care of permanent repair costs and are going to probably still need help from HUD and other programs or volunteer agencies like Red Cross. But this at least gets it back where the power company can hook them back up and they can stay in their home while they make repairs versus leaving their home, their community and going to a temporary housing source.

Ms. NORTON. And does it apply to people who live in apartment houses?

Mr. FUGATE. To be honest with you, I don't think so, because in those cases we are dealing with an occupant where we either are working with the housing authority, which HUD is working very closely with those on bringing in boilers and other things to get power back up. So this is mainly directed at attached or single family, not so much the large apartment buildings. But HUD has been working with both those of the housing authority and those that provide low-income housing and are providing assistance as we are supporting them in the Corps in getting their critical life support up, not only power but also boiler operations so they have heat.

Ms. NORTON. And perhaps this wouldn't work in New Jersey, where so much of the housing was wiped out, but is there any reason why this stay-in-place approach could not be used in New Jersey or some of the other States that were devastated by Sandy?

Mr. FUGATE. No ma'am, it can be used. In fact, we are working with the State of New Jersey's State-led housing task force. This is one of the tools that we are giving them as they look at what those needs are and how to best meet their needs.

Ms. NORTON. Could I ask you, HUD and FEMA have always worked when there has been a major storm. How would you describe the major difference now between this new relationship with HUD, with HUD as apparently the lead coordinating agency and yet FEMA, and you can see that we are talking to you first and foremost here this morning, still in charge of much of what the public expects. What is the difference between what you are doing now and what you were doing for example in Katrina?

Mr. FUGATE. I think, in Katrina, the problem was there was not a concerted effort to address what the housing needs would be. And as Fred pointed out, in some of the programs he ran, the Federal Government never really anticipated that kind of rebuilding efforts, and initially, everybody turned to FEMA. FEMA doesn't do a lot of the permanent work, nor do we deal with the preexisting conditions. So it is a natural fit of existing programs and authorities that take what we can do in the short run and match it up with

what HUD is best at, which is providing longer term affordable housing solutions.

And we are going to go far beyond housing. As was pointed out by several members, we have transportation issues that go far beyond merely repair work. We have Corps of Engineer beaches that are authorized. But again, as the damages mount funding those programs. So as we looked at this it became clear that we are dealing with not only State issues; we are going to have regional issues that go beyond the States. And so having a cabinet level member leading the non-Stafford Act programs and funds and plugging in so that, as we go forward with our short-term programs, there is an end where there is housing available. What we don't want to get into is what we saw in Katrina. We do a lot of short-term events and 5 years later people are still living in a trailer because there is no housing solution at the other end. And again, this goes far beyond what FEMA does; it goes far beyond the Stafford Act. The Stafford Act is a key part of this initial fix or repair, but it does not get to the preexisting conditions; it does not get into things that FEMA has historically not done well that other programs are much more successful in doing with their authorities; and it doesn't get to some of the regional challenges that we have in that dense populated the area.

Ms. NORTON. So HUD will be dealing exclusively with pre-existing conditions, what is to be rebuilt and not FEMA?

Mr. FUGATE. I would let Fred speak to it, but I think the term is rebuilding and looking at how do we work long-term housing solutions, particularly given the density of some of the housing authorities as well as other parts of the communities that were devastated?

Ms. NORTON. I have one more question. When we did the Post-Katrina Act, in fact after 9/11, when FEMA was made a part of the Department of Homeland Security, we were focused mainly on terrorism. Now what we have learned as a result of the droughts, as a result of Sandy, as a result of Katrina, is that, I don't know, we may not have another 9/11; we certainly have done a lot to prepare in case we are faced with another tragedy of that size.

But we almost surely are finding ourselves each and every year with a major unprecedented set of storms—not just storms. I don't even know what is happening on the west coast, but that looks like something other than their usual rainfall.

Has being in the Department of Homeland Security been of any material advantage to FEMA, as opposed to when FEMA was not a part of the Department of Homeland Security? And as a State official, you have participated in the before-and-after of this question.

Mr. FUGATE. The short answer is yes, because of the availability of the other resources.

I will give you an example. One of the things that we have launched that I didn't put in my comments, in my testimony—it is a fact that FEMA has a finite workforce. And even with our reservists and the ability to call people up, it takes time to get people into a disaster area. We were able to leverage Department of Homeland Security and send over 1,200 Homeland Security folks from various components of the Department into New Jersey and New York to

do the initial response support. That would not have readily been available without that.

So I would continue to support that our role within Homeland Security, as you have directed in that act, as the principal advisor to the Secretary and the President as well as Congress on emergency management, thrives in this environment. And it is the additional resources we can tap in to as part of the Department that enables us, in some cases, to actually augment our FEMA resources.

Ms. NORTON. Well, thank you very much, Mr. Fugate. And, again, thank you for your work on Sandy, in particular.

Mr. MICA. Thank you.

Other Members?

Mr. Harris?

Dr. HARRIS. Thank you very much, Mr. Chairman.

Administrator Fugate, thank you for appearing before the committee today.

I was informed yesterday that Maryland's request for individual assistance had been denied. Given that some of the counties in my district are some of the poorest counties in Maryland and these individuals really are going to have difficulty rebuilding, can you explain what specific qualifications were lacking in our request as compared to other States that were successful?

Mr. FUGATE. The number of destroyed uninsured losses was not very high. The number of affected would suggest that it was within the capabilities of the State of Maryland.

The trouble with trying to do this is it never addresses the individual trauma of the destruction; it is always based upon the impacts to the State as a whole. And we look at the availability of other programs, such as Small Business Administration disaster loans, and, again, the State's ability to redirect community block development grant dollars to address some of these issues.

So it is not based upon the trauma to the individual. You know, our hearts go out to them. It is based upon the impacts to the State as a whole. And we looked at that and made a determination and recommendation that the President concurred with that at this point the information does not support a major Presidential disaster declaration.

And it is not uncommon that in a same storm system States side-by-side may find different outcomes for individual assistance, whether it is tornadoes, floods, or storms. But it is always based upon our best estimate of the information the State provides against the available programs that may be there.

Yesterday I spoke to Gail McGovern, president of the American Red Cross. The American public has been very generous to the Red Cross. And that continued support allows them to support not only those that are in the areas that have been declared by the President but also in those areas that have not been declared. And I brought to her attention, again, the State of Maryland, that there are individuals there and communities that still need help. And even though it did not warrant a Presidential disaster declaration, it should never take away from the fact that people did have damages and losses due to the storm.

Dr. HARRIS. Thank you very much.

Thank you, Mr. Chairman.

Mr. MICA. Thank you.

Mr. Nadler?

Mr. NADLER. Thank you, Mr. Chairman.

Major General Walsh, I want to follow up with you on the Sea Gate protection project in Coney Island, New York. As you know, the Sea Gate community has been vulnerable to storm damage for decades because of an error in the previous Army Corps project in Coney Island. The Sea Gate correction was finally slated to begin construction this fall. It has been fully funded by Congress, fully appropriated, and the local match secured. I know you are familiar with the project, as we discussed it in person earlier this year before the storm hit.

Now that the area has been devastated by Sandy, it is more important than ever that the project be completed as originally intended and funded. I raised this with the Corps and with Secretary Napolitano during a tour of Sea Gate storm damage, and everyone said they would find a way to get it done.

I assume the Corps will move forward quickly, but we haven't received confirmation of how the Corps intends to proceed. Can you confirm now that, in fact, the Corps will move forward quickly with the Sea Gate protection project as originally intended and funded by Congress?

General WALSH. Sir, as you know, there is an authority problem with the funding. So we are going to move ahead with the project at a lesser funding requirement. So we will be looking at the—

Mr. NADLER. So that is a "no" to the full funding that was appropriated by Congress.

General WALSH. We will work with the authority that we have, and the project will move forward.

Mr. NADLER. Well, of course our contention was that, considering the President's instructions to cut through redtape and find a way to say "yes," and considering the more than considerable legal ambiguity, that I can't imagine anyone wants to tell the community they should remain vulnerable, given what just happened there, and that given that Congress has appropriated all the funds necessary to do the project. But I gather from your reply that we are going to have further rather difficult conversations.

Mr. Fugate—

Mr. MICA. Mr. Nadler, just a second.

If you wanted to quickly—did you want to respond to his comment?

What we had asked was that we try to get any questions for Mr. Fugate first.

Mr. NADLER. That is why I am going to him now.

Mr. MICA. OK. Well, that is the Major General. But if you go to him next. And other Members, please. Because I promised Mr. Fugate we would get him out as soon as possible.

Mr. NADLER. I just said—

Mr. MICA. Thank you.

Mr. NADLER. Administrator Fugate, I recently wrote to you and to the EPA about environmental contamination from mold and other hazardous substances inside buildings following Sandy.

Although FEMA will reimburse some homeowners for hiring an environmental contractor, in some places it is not that easy. In public buildings, such as public housing, it is more incumbent on public agencies to properly remediate. And in highrises, including private highrises, or densely populated buildings that you find in New York City, residents share walls, HVAC systems, and common areas, so that cleanup has to be done in a coordinated manner. If one resident cleans up his apartment but gets recontaminated through the HVAC system, it is not terribly helpful.

Will FEMA support tasking EPA with overseeing comprehensive testing and cleanup of contaminated buildings and develop a plan that ensures that people's homes and workplaces are safe to inhabit?

Mr. FUGATE. We will take that message back to our partners at EPA.

The other thing, Congressman, is those public buildings and public spaces that they need to do those inspections, that is eligible work for reimbursement of FEMA.

But this is also something that Secretary Donovan is looking at. As you point out, in some of the privately owned apartment buildings, it is not clear what programs may be available. So we are looking at what additional programs and authorities may be needed outside of those that it is clear where FEMA can support activities, particularly in those that are privately owned buildings.

Mr. NADLER. I appreciate that. So you—and I appreciate what you are saying, and I thank you for that.

So I gather that you are saying there is a problem now, and especially in apartment buildings which are privately owned, where you can't simply isolate each apartment, you can't isolate each residence.

Mr. FUGATE. Obviously, there are going to be some challenges there. We are not sure exactly, particularly in those that are private, not public, how that would best go. A lot of this is going to come back to State and local health codes, those inspections, EPA providing technical guidance.

But we will work with the State. We know this is an issue. It is something that we have dealt with before. But I think because of the number of buildings and densities and past history here, there is going to be required additional scrutiny as we look at what will be necessary to ensure air quality standards in these homes and businesses.

Mr. NADLER. Thank you.

I yield back.

Mr. MICA. I thank the gentleman.

Let me go now to Ms. Schmidt.

Mrs. SCHMIDT. Thank you, Chairman Mica.

I have a couple of questions for Mr. Fugate. Number one is I noticed in the testimony from Mr. Robert Latham that he talked about the duplicative environmental and historical preservation reviews, in that in each and every case, whenever you are dealing with an agency, each and every individual has to reinvent the wheel on those very time-consuming reports.

And it seems to me that FEMA could have a box, that once somebody has done all of that assessment, that it can be passed down

to everyone else in the chain that also has to go through FEMA or another governmental agency for money; that, in other words, just one process for those reviews that can be used for everybody, instead of everybody reinventing the wheel.

And couldn't FEMA be the one to lead that charge?

Mr. FUGATE. Certainly something we have been working on. Part of it comes back to, though, is how our authorizers have given us authorities. Both the Corps, us, EPA, we all have responsibilities in doing these reviews. But since they all come from the same original Federal legislation, we are working on how we can reduce and share those findings.

Mrs. SCHMIDT. Well, that doesn't make sense to me. If you are all trying to work together, why didn't you come up with a master plan? Or does it need legislation to say there is going to be one review when you all can look at it?

Mr. FUGATE. Where we can, we have. And we will take this back to work on.

Mrs. SCHMIDT. Mr. Latham, you are the one that brought this up in your report. Do you want to respond to that?

Mr. LATHAM. I think part of the problem has been when there are multiple funding sources and who the lead agency is for that particular project in the rebuilding process. And when there are multiple funding sources or multiple Federal agencies involved in that project, then we have to go through those multiple reviews. And I think what Craig is saying is that, you know, I think that there are some statutes, probably, that require the Federal agencies to do that.

You know, I think what I am saying is, when we have those rebuilding projects that have multiple funding sources, Federal agencies oversight, there has to be a single historic preservation review process because multiple reviews extend the project tremendously.

Mrs. SCHMIDT. Well, let me ask you, how do you think we can fix that? Should it be done by legislation, or should it be done by a mutual agreement?

Mr. LATHAM. You know, I don't dare to understand all the Federal regulations, but, you know, from someone that has worked at the State and local level, you know, the fact that there is a declaration, number one, ought to trump just about everything. So when those funding sources contribute to the rebuilding of the project as a result of a disaster, then maybe—I am not sure; I certainly wouldn't dare speak for Craig—then maybe FEMA does take the lead.

But, you know, I do agree that until we expedite those reviews and try to get them down to one review, that it is going to continue to drag out the rebuilding process.

Mrs. SCHMIDT. Thank you.

Mr. Fugate, the second question is, in my district, back in March we had a tornado that hit and devastated a very small community. And our Governor really didn't want to go to the Federal Government for help because he said that he felt if we looked at it from a State perspective we could get it done quicker and cheaper and that there was a time gap between presenting the bill to the Government and getting reimbursement.

And I forget whose testimony I read today that talked about the time gap between getting reimbursed and how it really is costly to local communities. Is there any way to resolve that?

Mr. FUGATE. Well, I would think the first response would be to the Governor's request. It is not only just timely; it is also, was it within their capabilities? I would assume that if it had not been within the capabilities of the State or they exceeded their per capita threshold for public assistance, they would have asked.

What they may have been referring to has been a previous issue with Small Business Administration where, if you are appealing individual assistance, Small Business Administration historically had not moved forward with their authorities to issue a declaration. They have changed that and will do that separately.

But as far as the reimbursement process, both Louisiana and Mississippi saw what we tried to do in the storm earlier this year. One of the things that is most immediate for them is the cost of the debris removal and their protective measures. Historically, we had always waited for the final bills. This kind of comes back to the estimations. We have been working and using estimates to forward initial funds for both debris and protective measures, those first dollars that go out the door, oftentimes within the first 30 days or less of the disaster. We are using estimates; we are not waiting for final numbers. And we are working to get money back in that is expended on the front end before we get to the permanent work.

We are doing that in Sandy, working particularly with New York and New Jersey, where a lot of their smaller communities have expended literally millions of dollars, and have started a process of getting those initial reimbursements done based upon estimates. We are not waiting for the final bill.

So we have been pushing to get cash back into the communities faster based upon those that they have expended when a declaration does occur.

Mrs. SCHMIDT. Thank you.

Mr. MICA. Thank you.

Additional questions for Mr. Fugate?

Mr. Bishop?

Mr. BISHOP. Thank you, Mr. Chairman. I have just one question for Mr. Fugate.

I want to talk to you a little bit about the hazard mitigation piece of FEMA reimbursement. As I understand it, it is 15 percent of the first \$2 billion of public assistance that goes to a State and then 10 percent of between \$2 billion and \$10 billion.

So my question is, is that cap not too limiting?

It seems to me that, given what we are going to be dealing with in New York, we have two problems. One, even though there is going to be a fair amount of public assistance money that will flow to the State, 15 percent of that, or 10 percent of that, will fall short of the kinds of preventive measures that we could take statewide. And then more specifically, it is going to set up a competition between, let us say, New York City, which has enormous needs, and counties such as the one I represent, Suffolk County, which has significant needs, nowhere near as significant as New York City, but we have our own needs with limited capacity to address them.

So the question is, wouldn't we be wise to either adjust that cap upward or eliminate that cap so that we could be putting into place preventive measures that will save us money down the road and will also save our citizens a great deal of consternation and dislocation?

Mr. FUGATE. I will defer to Congress on raising the caps, sir. But I would also think we need to recognize that the FEMA mitigation programs are not well designed for some of the things that may be required.

I will give the example of Louisiana, where a decision was made to build the protective levee structures. It was going to be primarily a Corps project. It was fully funded through the Corps. And it was a project that they expedited and got done rather quickly given the history of building that type of protection system.

So I would not assume that merely increasing the FEMA dollars, which would go to the Governor and would then have to be determined by the State, the priorities—there may be other things to look at more holistically that would go beyond those FEMA mitigation dollars, particularly with some of the coastal communities—

Mr. BISHOP. Well, if I may, I am going to have the same question for General Walsh with respect to repairs that are pursuant to Public Law 84-99 with restoration to, in effect, pre-storm conditions as opposed to design standards. It is basically the same issue, which is, ought we be restoring in a way that would prevent future disasters or at least mitigate them, as opposed to just getting to pre-storm conditions or just spending up to a certain cap?

Mr. FUGATE. And, Congressman Bishop, you are going to have a lot of folks in your communities already wanting to elevate their structures because they saw where elevated homes went through the storm with very little damage and it was a very successful mitigation.

Knowing that there is finite FEMA dollars, again, this is why we were looking at other Federal programs that have been used previously to support those activities, but also taking a look at some of the regional needs that are going to be critical infrastructure protections.

And so whether or not Congress chooses that, I think the administration is actually looking bigger than what FEMA's mitigation programs do and looking at some of the challenges and what would be the best funding mechanism for some of the larger mitigation projects that may be required.

Mr. BISHOP. OK. Thank you very much.

And I want to thank you again. Your people on the ground, at least in my county, have been phenomenal. Thank you very much. I yield back, Mr. Chairman.

Mr. MICA. Thank you.

Mr. LoBiondo wanted a 30-second personal privilege here.

Mr. LoBiondo. Yes, thank you, Mr. Chairman.

Major General, I just wanted to tell you what an extraordinary team you have in Philadelphia. Not just with this storm but over the years they have done just an exceptional job. Dedication above and beyond the call of duty. Finding ways to work with us, with all the coastal communities. And the outstanding work they have

done has resulted in an enormous amount of money being saved from damage and I think from hurting people or loss of life.

So I just wanted to make sure I publicly thanked you and congratulated and thanked them.

Thank you, Mr. Chairman.

Mr. MICA. Thank you, Mr. LoBiondo.

General WALSH. Thank you, sir. I will pass that information down.

Mr. MICA. Thank you.

Mr. Sires?

Mr. SIRE. Thank you, Mr. Chairman.

Mr. Fugate, what can I bring back to these people in the city of Hoboken that live in basements, that have lost everything, that this is their primary home where they have lost all their belongings? Is there any place that they can tap into where there is an assistance for these people?

Mr. FUGATE. Well, the most immediate assistance, if they are uninsured, is the FEMA individual assistance program, the 1-800-621-FEMA, or they can register online at disasterassistance.gov.

And we have set up and we have disaster recovery centers there. So if they have registered and they are still working through that, we are providing both short-term assistance as well as longer term housing.

But I think you have to understand that, what are we going to do if we can't fix those basements? Where are they going to live? And I think that is why we are working very closely with HUD and why the President asked Secretary Donovan to take this lead. Because I think we can do some stuff in the short run, but if those basements—again, they are going to flood the next storm. Does it make sense always to go back where they were or to look at things differently?

And I think this goes back with Congressman Bishop and others. There is a sense among the communities there that they don't just want to repair what was there. They want to really look at, how do we minimize people at risk next time? And because those basements oftentimes were affordable housing units, they are not as easy to replace because people didn't own them. It was a good place to rent. They were able to work and live in their communities. And that is gone. And it may not be repairable. And if it can be repaired, great. But how long is that going to take? But if we cannot repair all of that, where are people going to be able to live so they stay in their community, where their jobs are, where their schools are, where their kids go to school?

And I think that is why the President recognized we are going to look far beyond Stafford Act programs. Because some of these issues will not be something that will get addressed immediately. We can deal with some of the immediate needs. But longer term, if we can't prepare all repair all those basements, or in the next storm, would it make sense to have people live somewhere else or have moreaffordable housing solutions so they weren't vulnerable next time it floods?

Mr. SIRE. Now, is that going to be a coordinated program with HUD?

Mr. FUGATE. Yes, sir. And that is again why the President has asked Secretary Donovan to take that lead, because, again, much of what is going to be needed longer term are not programs that FEMA has. They are really the programs that HUD and other Federal agencies have. And that is why we have looked at this from the standpoint of the recovery framework. Much of this is going to go far beyond what the Stafford Act programs were intended to do by Congress.

Mr. SIRES. And according to the mayor, she told me she has over a thousand families that were impacted by this.

Mr. FUGATE. Yep.

Mr. SIRES. The other question that I had is regarding fuel. And one of the problems that we had was getting the fuel to these places. And then once we got into these places, they couldn't hook up.

Mr. FUGATE. Yep.

Mr. SIRES. And, you know, like the Governor said, it was not an issue that we didn't have the fuel. It was an issue of—how do you deal with that? How do you—

Mr. FUGATE. Here is a recommendation from States that have been through it, since this is something that State legislatures are much better at doing.

Mr. SIRES. I actually talked to them also.

Mr. FUGATE. Many of the States that have dealt with this have come back with requirements to look at pre-wiring, not necessarily putting a generator in, but pre-wiring gas stations. Part of the challenges with underground wiring, it is not easy to get a generator hooked up. And so, doing some things ahead of time, where it does involve the private sector. It is going to be their money, but it is also their customers. Looking at pre-wiring stations and identifying key stations and key areas that have capacity, that the State would want to make sure that if the power went out and we got a generator, there they could service that community.

But these are really things that I think we will be working with our State partners, as much of this, I think, is going to be the State legislature looking at lessons from other Governors, how to best address those distribution issues.

Mr. SIRES. I also think you should look at food stores to do the same thing. Because the other issue was, you know, obviously, all the food that went bad, you know, in all that area.

Mr. FUGATE. If history tells me anything, there will be a lot of retailers, particularly the food service industry, pharmacies, gas stations, that will be looking at either pre-wiring, transfer switch, or installing generators. We have seen this repeatedly after major hurricanes across the South, where it becomes a business decision that it is much better to have that generator versus deal with the losses and disruptions that occur when power goes out for not just days, in many cases, but weeks.

Mr. SIRES. And, again, thank you for the work that your people do.

Mr. MICA. I thank you.

And if we don't have any further questions for Administrator Fugate, we will excuse you at this time. Thank you for your participation.

Mr. FUGATE. Mr. Chairman, appreciate it. We expect that you will have further questions, and we will be responsive as the committee looks at additional information.

Mr. MICA. And working with the other side of the aisle, we will leave the record open for a period of 2 weeks. And we may give all the witnesses additional questions, and appreciate their response.

But we will excuse you now, and then we will go to questions for the other panelists.

Mr. FUGATE. Thank you, Mr. Chairman.

Mr. MICA. Thank you.

First, we have pending a question from Mr. Bishop from New York.

Mr. Bishop, you are recognized.

Mr. BISHOP. Thank you very much, Mr. Chairman. And I want to thank you for holding this hearing.

I just have one question for General Walsh, and you know what I am heading toward. It is the same sort of issue as the hazard mitigation cap.

My understanding of existing law, Public Law 84-99, it limits repairs to pre-storm conditions as opposed to design specification. And as our Governor has said, we seem to be having a 100-year storm every 2 years. And so, it begs the question, shouldn't we be repairing to design specification as opposed to pre-storm condition?

And I will just give you a very specific example in my district that I do not expect you to be familiar with, but there is a section of our shoreline called Tiana Beach. Tiana Beach is enormously subject to a breach. It was very badly eroded during the most recent storm. There is an effort in place between the Corps and the State of New York to put some sand on the beach at Tiana. But to restore it to its pre-storm condition continues to leave it very vulnerable to a breach.

And so it just seems logical that we should be making a greater effort there so as to hopefully create something that withstands storms, such as we did in West Hampton Dunes, which, as I said in my opening statement, held up remarkably well compared to, you know, beach on either side of West Hampton Dunes.

So there is my question. How does the Corps feel about this? I know it is the prerogative of Congress, but what would be the Corps reaction to lifting that restriction and being able to repair it or restore it to design specification?

General WALSH. Sir, the Public Law 84-99 is an emergency authority to bring systems back to pre-storm condition. It is not a construction authority—

Mr. BISHOP. Right.

General WALSH [continuing]. Or funding. And that is where the difference is.

And I believe the answer to your question is there are a lot of construction requirements that are here on the coasts and in other areas that would go through a prioritization process in regards to bringing things to full design. Again, the 84-99 is an emergency authority.

Mr. BISHOP. If I may, though, but aren't we then, in effect, throwing good money after bad? I mean, it seems to me that, again, this is an issue we are going to have to confront given the fre-

quency of such devastating storms. So I understand the distinction between emergency repair and construction, but I, at least, am going to push for a lifting of that restriction and push for design specification as opposed to pre-storm condition.

General WALSH. Yes, sir. And I would agree that those communities that live behind an engineered beach probably fared better than those that did not.

Mr. BISHOP. OK. Thank you, General. Appreciate it.

Mr. MICA. Other Members with questions?

Mr. Sires?

Mr. SIRES. Yes, I have two questions.

One, General, every spring I seem to get an awful lot of calls from people for debris on the river. Obviously, after the storm there is a going to be a lot of debris in the Hudson River. Are you making plans to pick up some of that debris, some of the piers that were destroyed and are floating around?

And I know you have done a great job picking up debris up till now, but this is a constant problem on the Hudson River, as you know. So I was just wondering, you know, are you gearing up for this?

General WALSH. Yes, sir. We have three debris vessels that are working on the Hudson and in the port.

Mr. SIRES. Great.

And, Mr. Popoff, you mentioned that you had a plan for fuel delivery that you came up with since you get so many hurricanes. Is that what I heard?

Mr. POPOFF. Yes, sir. It was actually the State of Texas which came up with the plan.

Mr. SIRES. And what does it consist of?

Mr. POPOFF. It was developed by creating a partnership of the fuel vendors, the fuel distributors, and then taking the critical fuel locations—the locations along the evacuation routes, the interstate highways—the gas stations, making sure that they are full of fuel. And through their local emergency management partners, making sure that those facilities had emergency generation power for both evacuating and then reentry, including emergency responders.

Mr. SIRES. So they do have generators. You require them to have the generator?

Mr. POPOFF. No, sir. There is no State law or legislation that requires a private business to have a generator. But most of the retailers, as Director Fugate said, most of the retailers have realized it is just good business practice to install emergency generators.

In my county, I actually have a service station on an evacuation route that has two emergency generators, and they did that as an initiative on their own. They weren't compelled to do it. They just realized it was good business practice.

Mr. SIRES. Do you know if food stores have the same approach? Are you aware of any?

Mr. POPOFF. Well, I am not too sure on food, sir. I can tell you the one instance in Galveston County, that particular store is a food store, but they have a large distribution of gasoline that they do there.

Mr. SIRES. All right. Thank you very much.

Thank you, Mr. Chairman.

Mr. MICA. Thank you.

Ms. Norton, additional questions?

Ms. NORTON. Thank you very much, Mr. Chairman. I do.

We have seen a shoreline devastated that I cannot believe—and I suppose this is for Mr. Walsh—but I cannot believe that, even in the 100-year exercise that we have just gone through, that kind of devastating loss along the northeast shoreline was anticipated.

Now, we have had a lot of talk about what happened and rebuilding, but rebuilding here is going to be very different from rebuilding in the Katrina-affected areas. To be sure, there were—for example, in Mississippi there were some business interests. Gambling along the shore, that was wiped out. I think they even went back and built. But it is hard to imagine talking about the shoreline of New Jersey, for example, and New York, that we aren't talking about millions of people who lived on or close to the shoreline or had second homes there. And I am not sure that any of our thinking about natural disasters has been left intact.

Let me just read a section of what the National Weather Service provided to me, speaking about this area, where the Nation's Capital and many of its resources are located. "It is not out of the question"—and here I am quoting—"under the right set of circumstances"—that is what you had in Sandy—"a strong hurricane, Category 3 or higher, making landfall south of Washington and tracking to the northwest, a stronger storm could collide with a southern mid-Atlantic and generate a higher storm surge than Isabel for a Sandy-like storm displaced to the south. The reality of such a possibility, along with the slowly creeping sea-level rise from climate warming, should serve as a compelling call to action for local infrastructure planners."

Well, General Walsh, you are going to be in the midst of that, and so will you, Mr. Tombar.

As the Corps helps to clear the debris and will almost surely be called upon to help build at least some of the public resources, what is the best way to protect the shoreline of New York and New Jersey, for example, so that we are not faced with such a disaster in the future?

General WALSH. Thank you for that question, Congresswoman.

The best approach that we have seen in a number of different areas is to look at things from a systems perspective. Trying to put a structural fix on one side of a city or a State and not on the other could have competing impacts. So what we advocate is looking at things from a systems approach.

The other thing that we look at—

Ms. NORTON. I don't understand what that means. Here we have the shoreline busted. We had apartment buildings, we had single-family homes, we had multifamily homes along there. I don't know what a systems approach means.

So please give me the common language in describing, if you are the Corps of Engineers, the Governor of New Jersey, the Governor of New York, are you going to rebuild there? What are you going to do to protect in the places that were devastated? What would the Corps recommend, what would HUD recommend to respect the shorelines of this part of our country?

General WALSH. Yes. There are a number of projects along the coast. Many of them have their own authorities, and some of them have their own construction funding. What we try to do is we work through those designs to make sure that when we put a structure, a sea wall, or we put a beach renourishment project in one area, that it doesn't have negative impacts on another area.

So we are looking at it from a systems approach to make sure that when we do a beach renourishment project that it is wide enough and long enough that it is not having negative impacts in another area.

Ms. NORTON. Are there island barriers of the kind that were in Louisiana that didn't prove as useful because we hadn't kept them—we hadn't grown them? Are there barriers, natural barriers, that could be useful or could be planted in the Atlantic close to these two States?

General WALSH. Yes, there are barrier islands across from each of the two States. And we need to be looking at them from both a structural and nonstructural solutions to solving the storm surge.

Ms. NORTON. "Structural and nonstructural" meaning what?

General WALSH. Structural means a beach renourishment project. A nonstructural is that people perhaps would move away from the risky areas.

Ms. NORTON. Are we sure that there will be no rebuilding, Mr. Tombar, in the affected areas until some barriers are constructed that would go far toward making a similar disaster not impossible?

Mr. TOMBAR. Unfortunately, ma'am, no. What typically happens is that you have individual homeowners or building property owners who will move quickly to try to restore that which was damaged. And it will often outpace decisions that—some of these tough decisions that local political leaders and State political leaders have to make about mitigation. And so—

Ms. NORTON. Isn't there something we can do about that? I mean, I can understand that people who have lived in an area all their lives, they can't possibly imagine not living there. But the Government is having to reimburse them, at least in part, for the damage they have accrued.

Isn't there something that the Government can do to make sure that they don't get ahead of the Government and thereby perhaps incur additional costs to the Government at a later date?

Mr. TOMBAR. Yes, certainly. We have, as Administrator Fugate mentioned, been working with the State-led housing task forces in all the affected States to begin to identify some of the tough decisions that need to be made and suggest to the local leaders, as well as the State leaders, some of the things that have been done in the past that we have seen that have proven effective in mitigating against subsequent disasters.

For example, a recent storm, Hurricane Isaac, impacted areas that were impacted by Hurricanes Katrina and Ike and Gustav prior to that, but because of the mitigation measures taken by individual homeowners at the direction of the State and local leaders, many of those homes that did, in fact, mitigate against future disaster by elevating were left, as we say, high and dry, without any impacts from Hurricane Isaac.

Ms. NORTON. Yeah, and that was not the case here because we had never experienced that kind of storm here. So what I am really asking is, could the Governors of New Jersey and New York use their governmental authority, their—yes, their authority to forbid rebuilding until an assessment was made as to the safety? Or is there nothing in place to keep people from going ahead and saying, To hell with it, I am putting up my house since there is nothing here to keep me from doing it?

Would you recommend to the Governors of the affected States that they take some kind of action to at least delay the immediate rebuilding of homes in the devastated area?

Mr. TOMBAR. Yes, ma'am. I am not quite certain what the authorities are for the individual Governors, but I can tell you that we have already been in discussions with them and their staffs about the fact that some of these hard decisions that are important for the long-term viability of these areas and to guard against repetitive loss in future storms like this need to be made as expeditiously as possible. But we have—

Ms. NORTON. I wish you would, within 30 days, get information to the chairman about what action HUD and FEMA have together taken, perhaps, to ask the authorities in these two States in particular whether something can be done to keep the rush to rebuild from occurring.

Mr. TOMBAR. Certainly.

I will say that what we are talking about here, essentially, are decisions around building codes. And those are things are not even controlled by a Governor's office. Typically, they are very locally driven decisions that rest with a mayor or county executive. And so, trying to drive some consistency and consensus around those decisions is that much more difficult because of the several layers of Government and authority that need to be acknowledged in this process.

Ms. NORTON. To be sure. I am still not convinced that Governors don't have authority, perhaps with their legislators, to keep from smacking us in the face with more liability because nobody could figure out who to turn to.

Could I ask about Mississippi? Excuse me, one of our witnesses, or maybe it was the Corps, can tell me about the decision of the gambling interests to rebuild. Did they not rebuild precisely where they were before?

Mr. LATHAM. Ms. Norton, I would like to answer that for Mississippi because, prior to Katrina, the gambling industry and the permitting for that required them to build on the water, to limit expansion. The legislature and the Governor moved quickly after Katrina to allow them to move inland.

So the casinos have rebuilt, yes, but to a different standard that would minimize future impacts of storms. So I think that that part of our economic development side is much more resilient now than it was pre-Katrina.

Ms. NORTON. So they are not on the water but they are on land close to the water, and you think they are essentially protected.

Mr. LATHAM. Yes. And most of them have moved all of the critical components of the casino. They all require hotels, but they are pretty much elevated so that the ground floors are built to blow out

or are maybe parking areas so that the cost of recovery and rebuilding and the time required to get back up and going is minimized.

Ms. NORTON. One more question. It is really for Mr. Walsh.

We have just gone through this 100-year exercise. And anyone who went through it, great hardship, because people didn't want to buy flood insurance. And it is the outcome, really, of Katrina that made FEMA, in fact, take us all through another 100-year exercise. And that really meant, you know, every 100 years, I mean, roughly speaking, you could get a Katrina-like, or here it would be a Sandy-like event, except that I don't think anybody contemplated even in 100 years a Sandy-like event.

Is the 100-year storm notion, has it been made obsolete by recent storms in the last, let us say, 3 or 4 years?

General WALSH. Congresswoman, the word "100-year" storm is actually a misnomer. It is a 1-percent chance of that event happening, and so it is 1 percent every year. And some people have used that 1 percent a year to say the event wouldn't happen in 100 years. But that is a misnomer. You have a 1-percent chance of—

Ms. NORTON. That is a good point. So is the 1-percent notion obsolete, or do we need to be rethinking even that? Does this fit? Did what happened to New York and New Jersey fit the 1-percent notion?

General WALSH. I believe it is a 1-percent storm, but I would have to go back and look at the storm surge.

Ms. NORTON. I wish you would get that information to the chairman, too, because maybe that is what 1 percent means. Makes a lot of sense to me.

Final question for Mr. Tombar, and that is about exactly what resources that FEMA could not use, as I understand HUD to have a much broader array of resources and greater flexibility. And what is the value added of HUD being the coordinator, bringing to the table flexibility and resources that would not otherwise easily be available to FEMA? We discussed one of them with, of course, Mr. Fugate, but go right ahead.

Mr. TOMBAR. Certainly. There are a few things I would say in that regard.

One is, personally for Secretary Donovan, he is a native of the affected area, and his previous role was actually as housing commissioner for the city of New York. And so he has relationships because he worked directly with Mayor Bloomberg and—

Ms. NORTON. Is that the chief reason that HUD was made the lead coordinator?

Mr. TOMBAR. It certainly has had some bearing on that decision. He worked for Governor Cuomo, as well, in the previous administration and led one of the large financial institutions that was based in New Jersey. So he has deep connections to the area and has been using those to great effect already to lead to some coordination around the Federal role in working with the State and local governments.

Beyond that, there is, as pointed out by Administrator Fugate, in HUD's programs great flexibility. In particular, I will call out the Community Development Block Grant program that has in this disaster already been used in places like Maryland, where an indi-

vidual assistance designation has not been given, been used to actually house on a temporary basis some of the families that have been impacted.

Ms. NORTON. You mean right now.

Mr. TOMBAR. Right now, yes, ma'am.

Beyond that, there are plans underway, in talking to the State and local governments, that are CDBG entitlement communities—meaning that they receive annually CDBG grants from us—what waivers would be available to help them to do something that I think has been alluded to a number of times in this hearing, and that is to build back in a way that is smarter and safer than what has been done before.

I am sure any of the witnesses to my left can tell you, because each of their States benefited from allocations of Community Development Block Grant in their recovery processes in the past. And that money was used where, at the edge, you have FEMA only allowing rebuilding up to a standard that existed prior to the disaster impacts. That HUD money essentially can make things better.

And we have made a priority of that during this administration to, quite frankly, to focus on mitigation, to make sure that that which is done benefits the taxpayers in the long run. In fact, there is a study that HUD often cites and the Secretary often cites that says that for every dollar used in mitigation, there is a four-to-one return on investment in a subsequent disaster.

It is why we have worked with places like Cedar Rapids, Iowa, to actually buy out homeowners in a neighborhood that flooded in 2008 and move them to higher ground.

Ms. NORTON. Using CDBG funds?

Mr. TOMBAR. Yes, ma'am, using CDBG funds.

Similarly, in the States of Louisiana and Texas, buyout programs have been underway to move families out of homes away to places that are less vulnerable to subsequent storms.

It is something that we have already begun to discuss with State and local leaders and are working with them to find ways to implement that using existing resources and any additional resources that Congress may provide for that benefit.

Ms. NORTON. Thank you very much.

Thank you, Mr. Chairman.

Mr. MICA. Thank you.

Following that line of questioning by the ranking member, Mr. Tombar, this is the National Disaster Recovery Framework that was published in September 2011 by FEMA. Now, we looked through this and we did not see any mention of HUD or some of the activities you described. Have you read this?

Mr. TOMBAR. Not only read it, sir, but I had a hand in its production.

Mr. MICA. OK. But maybe it would—and I have no objection to HUD's participation, but maybe it would be good to—and you said you have also used CDBG grants before. Maybe it would be good to have that as part of this plan, your participation. And Ms. Norton asked within 30 days. If you could supply an outline of what you plan to do.

Again, we are crafting legislation to try to expedite this whole process. And I have no problem even moving some of FEMA's current responsibilities over to HUD if CDBG grants get things out faster, get it done more efficiently with less redtape.

Did you see Mr. Riley's description here of—we got it over there—of how long some of these projects get to be resolved? So we would call on you to—have you read our bill, 2903?

Mr. TOMBAR. No, sir, I have not.

Mr. MICA. OK. Well, maybe you could review that, too. We welcome your suggestions. I know sometimes the agencies have constraints, going through OMB and all of the bureaucracy you face. But we are really trying to craft—finalize legislation—we have crafted legislation—but finalize it with the best provisions possible so that people who have been through Katrina, Irene, tornadoes and floods and everything else don't have to go through the same long, drawn-out, redtape process. And if there is an easier way to do it, we welcome it. So we would like to hear from you, if we may.

Mr. TOMBAR. If I might, Mr. Chairman, you will find that in my testimony I said that Secretary Napolitano and Secretary Donovan actually worked together under an effort started in 2009 by the President called the Long-Term Disaster Recovery Working Group. That NDRF that you held up is an outgrowth of that process.

You will find in it that there are six recovery support functions. The housing recovery support function is one led by HUD. And it is the very one that we are using right now to begin those communications and those conversations with State and local leaders that I raised in answering Ms. Norton's question. And so what we have found is that this framework is a useful way for us to do some of that work.

Mr. MICA. Well, two things then. Secretary Donovan and you all, if you revise this, maybe you should include yourself. And also, if you can provide the committee with what you are doing and then any of your recommendations. If we do need legislative authority to revise FEMA's role and your role, we would be glad to look at that, those suggestions.

Mr. POPOFF, I was trying to get the Administrator—he is gone now—but to look at maybe not trying to replace what the private sector is doing, but to help facilitate, help initiate some assistance or coordination of efforts from the private sector to deal with the fuel situation. We have seen it repeated time after time. Fuel and some sources of energy, maybe—again, we are not trying to supplant what the private sector is doing or public utilities are doing.

And I think you described, again, a cooperative plan. And we are going to submit a question to you and also to the Administrator to see if he can't initiate on a larger scale what you have done and you described before the committee today. Because every disaster, it appears, we have this issue with getting fuel and power generation to specific activities or to individuals who could make things be restored again.

So thank you for your recommendation. You think it would work on a larger scale?

Mr. POPOFF. Yes, sir, absolutely. You know, I believe that we truly—we only respond to seven different types of disasters. And with those seven, and understanding the mechanics of it, it is how

we manage the organization is how we respond to these folks and how we provide the necessary assistance. And the fuel plan that was produced by the State is a great example of how government can work with the private sector and put a significant plan together.

Mr. MICA. Good. Well, again, your testimony was most helpful. And we are trying to address where we have gaps, again, and repeated experiences with these disasters.

Mr. Riley, I don't think we have ever had anybody so graphically describe Government redtape and bureaucracy, at least dealing with disasters. We have some charts on health care and other Government proposals, but that is pretty amazing.

Now, Administrator Fugate did point out, however, and I mentioned that after we came down there, we came back and did this arbitration mediation. Why didn't you turn to that as a solution?

Mr. RILEY. It is a very complicated process. And if you follow the timeline, there was ongoing discussion during the whole thing. So, you know, it was just a matter of we never got a "no" completely, so we never went to arbitration.

The frustrating thing about this is that if you look at the timeline, early on in the timeline, there was the cost estimate and recommendation of professional architects and engineers concerning the status of the building. FEMA's process didn't allow them to accept that, and they went through their own process, and we ended up in the same place.

Mr. Fugate indicated that currently they are in a position to allow their staff to accept the applicants' architects and engineers reports and use that as the basis for funding. We certainly support that. We don't always see that. And maybe they just haven't gotten the email in Louisiana, as he said.

But, you know, that is certainly a way that this particular process—and like I said, this is not an anomaly. There are thousands like this, in Katrina, in Gustav, in Ike, even in recent storms. And so a process that would, you know, get to the result a lot quicker—arbitration is a good tool, and we have used it, and we have used it successfully.

We would recommend that the tool be continued, that the cap be lowered so that the smaller communities that have smaller projects have access to that independent, you know, third-party review of the FEMA process. And we do feel, from the large projects, we have seen these large projects be sped up simply by the threat of arbitration.

Mr. MICA. Well, we would like to have as many tools at the disposal of FEMA to get these issues resolved and get the claims settled. We welcome your recommendations, too.

We are trying to get the Senate to conclude their consideration of the legislation. I think that that measure can do more than all the money we throw at the problems, or try to throw at the problems. Sometimes, as you heard the Administrator, they are still dealing with so many settlements from so many disasters because of the way their hands are tied and our inability to be a little bit more flexible or have, again, some options that don't currently exist.

So any other recommendations you can provide us. We are going to leave the record open for the next 14 days, by unanimous consent.

Without objection, so ordered.

And I want to thank each of you for being with us today. We will have additional questions we will submit to you.

The hearing has gone on for 2 hours. You have been most patient and also, I think, most productive in your recommendations and observations to the committee. So we thank you so much.

And there being no further business before the committee, this hearing of the Transportation and Infrastructure Committee of the House of Representatives is adjourned. Thank you.

[Whereupon, at 1:02 p.m., the committee was adjourned.]

Office of Congressman Andy Harris, M.D. (MD-01)

Full Committee Hearing

House Transportation and Infrastructure

December 4, 2012

A Review of the Preparedness, Response to and Recovery from Hurricane Sandy

Good morning Chairman Mica, Ranking Minority Member Rahall and fellow members of the committee. Thank you Chairman Mica for holding this hearing today and for the opportunity to discuss the impact of Hurricane Sandy on the area I represent and the response efforts to date.

The First Congressional District includes all of Maryland's Eastern Shore, much only a few feet above sea level. Somerset and Worcester Counties, and particularly the communities of Crisfield, Smith Island, Marion, Fairmount, Deal Island, Ocean Pines and Princess Anne were particularly hard hit with flood, wind and rain damage from Hurricane Sandy.

While these communities continue to recover, our thoughts and prayers certainly go out as well to our neighbors from New York, New Jersey, Delaware, and other areas where the lives and businesses of families were disrupted as they dealt with massive property loss.

On October 31, I toured affected sites in Crisfield and Ocean City with Governor O'Malley and FEMA and local officials to see firsthand the serious impact of the superstorm. While Army Corps beach engineering projects protected Ocean City, I was stunned to see the evident devastation that some of our communities like Crisfield suffered.

Last week, I hosted a teletown hall meeting with over 1,000 residents from impacted communities with officials from FEMA and Maryland's Emergency Management Agency participating. I was encouraged by the Federal and State coordinated response efforts to date. But a message I heard loud and clear is that few citizens have an understanding of the different responsibilities of federal, state and local governments in disaster response and recovery. On

November 20, 2012, President Obama issued a major disaster declaration and approved Governor O'Malley's request for public assistance and hazard mitigation. However, I was informed that Governor O'Malley's request for Individual Assistance was denied yesterday by FEMA. This underscores the need for all levels of government to be prepared for these catastrophes in the future, ensuring that scarce resources can always be made available to those parts of our community most in need of assistance. I look forward to hearing the testimony of our panel of witnesses this morning. Thank you, Mr. Chairman.

A handwritten signature in cursive script, appearing to read "G. M. B.", located at the bottom right of the page.

Testimony of
W. Craig Fugate
Administrator
Federal Emergency Management Agency

Before
Committee on Transportation and Infrastructure, U.S. House of Representatives
December 4, 2012

Introduction

Good Morning, Chairman Mica, Ranking Member Rahall and other distinguished Members of the Committee. I am Craig Fugate, Administrator of the Federal Emergency Management Agency (FEMA), and I am grateful for the opportunity to speak here today.

I look forward to discussing the preparations that took place before Hurricane Sandy made landfall, the coordinated response that took place during the storm and continues today, and the recovery efforts that are before us.

Hurricane Sandy was the eighteenth named storm of the 2012 Hurricane Season, and the tenth hurricane. A high pressure pattern over northern New England coupled with a strong mid-level trough moving east from the Midwest were the two primary features that established Sandy's eventual landfall trajectory into southern New Jersey on the evening of October 29th. With tropical-force winds reaching out 580 miles, Sandy was the second-largest Atlantic storm on record. Hurricane Sandy affected the east coast, from North Carolina to Maine, particularly lashing the New Jersey and New York coasts with heavy rain, winds, snow, and a record storm surge. Additionally, Sandy affected states as far inland as West Virginia, Ohio, and Indiana.

In the days leading up to landfall of Hurricane Sandy, FEMA worked with the whole community to support our citizens and first responders as they prepared for the storm. By leaning forward, the agency was able to support a prompt, coordinated response effort while effectively understanding the needs of survivors and planning for future needs.

Preparations for Hurricane Sandy

FEMA's regional offices have worked closely with the state, local, and tribal governments across the country—including those directly in Sandy's path—to develop catastrophic, worst-case scenario plans that are flexible and scalable for incidents of all magnitudes. FEMA's ongoing partnership with states allows coordination and collaboration with the whole community to plan and prepare for a range of disaster events.

In the days immediately before Sandy reached the east coast, FEMA worked closely with the Department of Commerce's National Hurricane Center and based pre-landfall decisions on their predicted storm track and intensity, and engaged threatened communities to stage resources that would support response efforts that began as soon as conditions were safe. FEMA and the Department of Defense (DOD) established Incident Support Bases (ISBs) in Westover Air Reserve Base, Massachusetts, and Joint Base McGuire-Dix-Lakehurst, New Jersey, to pre-

position supplies, water, meals, cots, blankets, generators, and communications vehicles. In addition to the ISBs, five Federal Staging Areas were established in New York. To date, FEMA has shipped over 16 million liters of water, almost 14 million meals, and over 1.5 million blankets to affected states.

FEMA maintains commodities - including millions of liters of water, millions of meals and hundreds of thousands of blankets - strategically located at distribution centers throughout the United States and its territories, including Atlanta, Georgia and Frederick, Maryland. The maintenance of these commodities helps facilitate rapid staging and distribution of needed items to address disaster situations.

In preparation for the storm, FEMA deployed liaison officers and Incident Management Assessment Teams (IMATs) to emergency operation centers (EOCs) in Connecticut, the District of Columbia, Maine, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and Vermont. Federal Coordinating Officers (FCOs) and Federal Disaster Recovery Coordinators were quickly deployed as well to organize the FEMA and federal response from the field.

On Saturday, October 27, 2012, the National Response Coordination Center (NRCC) activated in support of first responders and the response mission. The NRCC, located at FEMA headquarters, provides overall coordination of the federal response by bringing together federal departments and agencies to assist in the preparations for and response to disasters.

Coordinated Response & Recovery Efforts

On October 28, 2012, the President authorized emergency declarations for Connecticut, District of Columbia, Maryland, Massachusetts, New Jersey, and New York. On October 29, 2012, the President authorized emergency declarations for Delaware, Pennsylvania, Rhode Island, and Virginia. Initially, these declarations authorized FEMA to provide direct federal assistance for emergency protective measures. The President later authorized major disaster declarations for Connecticut, Delaware, Maryland, New Hampshire, New Jersey, New York, Rhode Island, Virginia, and West Virginia. These declarations provide declared counties and states assistance with emergency work and debris removal as well as access to FEMA programs, most notably Individual Assistance, Public Assistance, and the Hazard Mitigation Grant Program which provide assistance to individuals, local and state governments following a disaster.

By Sunday, October 28, there were 1,032 FEMA personnel deployed in anticipation of Hurricane Sandy's impacts. Approximately one week after the storm, on November 6, there were 5,384 FEMA personnel deployed in support of Sandy. On November 6, approximately two weeks after Sandy's landfall, there were 7,770 FEMA personnel deployed to more than 11 states and the District of Columbia in support of survivors. At the peak of the response efforts, more than 17,000 federal personnel, and over 11,000 National Guardsmen were on the ground assisting with response.

FEMA and its emergency management partners facilitated the provision of shelters, Disaster Recovery Centers (DRCs), Points of Distribution (PODs), and Joint Field Offices (JFOs) in the

affected areas. As of November 28, 78 Disaster Recovery Centers were operating in states affected by Sandy. Hundreds of thousands of disaster survivors have reached out to FEMA and its partners for aid during this time.

Disaster Relief Fund (DRF)

FEMA was appropriated \$7.1 billion for the Disaster Relief Fund (DRF) in Fiscal Year (FY) 2012—\$700 million for all activities authorized under the Stafford Act, and \$6.4 billion exclusively for major disasters.

As of November 26, more than \$1.93 billion has been obligated out of the DRF for FEMA's response and recovery efforts related to Sandy. There are sufficient resources in the DRF to respond to the immediate needs and impacts of the storm. The Administration is strongly committed to recovery and working with Congress to help communities recover and rebuild.

Individual Assistance

The Individuals and Households program, which provides assistance to homeowners and renters for housing and other needs, has seen a number of registrations as a result of Hurricane Sandy. Individual Assistance can include grants for temporary housing and home repairs, low-cost loans to cover uninsured property losses and other programs to help individuals and business owners recover from the effects of the disaster. As December 3, New York had 241,318 registrations and FEMA has provided over \$732, 942,000 in disaster aid. More than 238,353 New Jersey residents have applied for aid and FEMA has provided over \$272,000,000 in disaster aid. For all Sandy declarations, there are over 490,000 applicants, and FEMA has provided over \$1 billion in disaster aid.

Public Assistance

In addition to assistance for emergency protective measures and debris removal, Public Assistance provides funding for the repair, restoration, reconstruction, or replacement of infrastructure that is damaged or destroyed by a disaster. Eligible applicants include state, local and tribal governments. Certain private nonprofit (PNP) organizations that provide governmental services may also receive assistance. Based on the needs identified by an applicant, a Project Worksheet (PW) is prepared for each project to provide funding to repair disaster damaged infrastructure or help pay for the emergency costs of responding to the incident. FEMA reviews and approves the PWs and obligates the federal share of the costs (which is typically 75 percent federal funding) to the state. The state then disburses funds to local applicants.

As of November 27, 667 Requests for Public Assistance (RPAs) have been received. FEMA's Public Assistance Branch is working closely with New York state partners to proceed with recovery and reimbursement efforts.

In New Jersey, as of November 26, 890 Requests for Public Assistance have been submitted in New Jersey. In New Jersey, additionally, \$29 million has been obligated to reimburse the New Jersey Department of Human Services for providing temporary housing and resources for

electrical crews working to restore power. FEMA will continue to work closely with the State of New Jersey on recovery and reimbursements under the Public Assistance Program.

FEMA is working closely with its partners to proceed to project formulation and project worksheet preparation to address damages caused by Sandy. One of the ways in which FEMA is able to provide financial reimbursements to local governments more quickly in order to help the local communities recover is through Expedited Payments. These are commonly referred to as Expedited PWs. FEMA will obligate a portion of the federal share of the estimated cost of work under Category A (Debris Removal) and Category B (Emergency Protective Measures) as estimated during the preliminary damage assessment.

Hazard Mitigation Grant Program

The Hazard Mitigation Grant Program (HMGP) assists in implementing long-term hazard mitigation measures following major disaster declarations. Funding is available to implement projects in accordance with state, tribal, and local priorities. HMGP funds may be used to fund projects that will reduce or eliminate the losses from future disasters. Eligible applicants include state, local and tribal governments as well as certain non-profit organizations. Individual homeowners and businesses may not apply directly to the program; however a community may apply on their behalf. Following a disaster declaration, the state will advertise that HMGP funding is available to fund mitigation projects in the state. Those interested in applying to the HMGP should contact their local or tribal government to begin the application process. Local governments should contact their State Hazard Mitigation Officer (SHMO). Tribal governments can contact the SHMO or FEMA directly.

In both New York and New Jersey, FEMA mitigation staff has met and continues to work closely with the SHMOs to discuss the states' Hazard Mitigation Plans, types of projects available, and how best to proceed within that framework.

FEMA recognizes that mitigation is an essential component to national preparedness and emergency management. Working closely with the whole community, before, during and, after a disaster allows states and communities to plan and invest wisely into critical projects that save not only money, but most critically, lives.

Infrastructure

Sandy had varied effects on the infrastructure of the affected states. Following the storm's landfall, more than 8.5 million customers were without power, many roads were impassible, tunnels were flooded, and mass transit was significantly affected. FEMA's immediate focus was on the life and safety of individuals, followed by power restoration and community stabilization.

As I have stated many times, FEMA is only part of the emergency management team. Our partners include other federal agencies, local, tribal and state governments, the private sector, voluntary agencies and individuals. While we coordinate the federal response in support of state, local, and tribal efforts, we are not the entire response. Mission assignments to our federal partners, such as DOD, including the U.S. Army Corps of Engineers (USACE), the United States

Coast Guard (USCG), Health and Human Services (HHS), Department of Energy (DOE), and Department of Transportation (DOT), were vital to the response and recovery efforts.

The communications infrastructure was critical before, during, and after the storm. Prior to the storm, the Disaster Emergency Communications Team (DEC) established communications support at the state EOCs along the east coast. The Mobile Emergency Response Support (MERS) helped establish more than 85 radio networks on FEMA's National Response Network (NRN) to enable mission-critical voice operability and interoperability for responder personnel across all levels of government in support of the Whole Community Framework. These networks spanned from Maine to West Virginia and provided radio capabilities for convoys, incident area operations (including search and rescue and other federal responder teams), and providing communications at field facilities, such as Interim Operating Facilities (IOFs) and Joint Field Offices (JFOs). Following the disaster, MERS planned, executed and supplied communications availability for two 1,000-person JFOs, more than 50 DRCs, and other critical response missions. In DRCs, the satellite capability not only supported the DRC intake mission, but provided survivors access to free wireless internet. These communications efforts supported not only FEMA and its federal government partners, but also, state and local governments, first responders, and most importantly, the survivors.

Transportation in the affected area was heavily impacted by damage to public transit and fuel shortages following Sandy. To restore public transit, FEMA mission assigned USACE an un-watering mission to assist with response efforts in areas that flooded. USACE deployed the 249th Engineer Battalion and other temporary emergency power assets to provide support to areas impacted by the storm. USACE pumped water from several critical infrastructure points in greater New York City and New Jersey. These included the Brooklyn – Battery Tunnel and the Queens – Midtown Tunnel, along with several other tunnels and tracks. And, today, to support FEMA's efforts to assess the true nature of the damage to the region's public transit systems, the DOT's Federal Transit Administration has been mission assigned to put project management oversight contractors on the ground to assess the damage and to verify the assessments presented by the States of New York and New Jersey.

As a result of the fuel shortages that occurred in New York and New Jersey, fuel distribution points for first responders were established so that response efforts could continue. Integral emergency management partners, such as the USCG and DOD, trucked and shipped gas to New York and New Jersey to help alleviate the shortage. To support fuel operations, FEMA's energy task force procured and distributed fuel to first responders and the public, assessed gas stations without power and/or fuel, and provided public information on fuel distribution. In support of this effort, DOD's Defense Logistics Agency provided approximately 9.3 million gallons of fuel to more than 300 gas stations and first responder fueling depots. Ultimately, the fuel made available was distributed at the direction and discretion of the states, based on their determined needs and priorities.

We recognize that restoring power is an essential step to response and recovery. DOE reported peak outages of 8,511,251 customers as Sandy affected the east coast. Approximately a week later, on November 6, fewer than 1,000,000 customers were without power. As mentioned

earlier, FEMA is not the only federal agency that responds to a disaster. At the direction of the President, a national power restoration working group was established on October 31 to cut through red tape; increase federal, state, tribal, local and private sector coordination; and restore power to people as quickly as possible. For example, in some 68 flights from the West Coast to the East Coast, DOD's U.S. Transportation Command airlifted approximately 225 power restoration vehicles, six generators, 15 trucks, five trailers, and more than 400 personnel to help the effort to restore power. This working group includes DOD, DOT, DOE, USACE, DHS's Office of Infrastructure Protection and the Homeland and Infrastructure Threat and Risk Analysis Center, and representatives from local law enforcement.

FEMA continues its power restoration efforts in new and innovative ways, specifically through the Sheltering and Temporary Essential Power (STEP) program. The program repairs storm-damaged electrical meters; provides essential electricity, heat, and hot water; and protects storm-damaged residences with temporary exterior repairs.

Housing Plans/Recovery

Housing in many communities was significantly impacted due to the widespread effects of Sandy. FEMA convened the Hurricane Sandy Catastrophic Disaster Housing Task Force (Task Force) on November 6, 2012, to address housing issues in support of State and field operations. The Task Force has and continues to develop guidance and options based on the Catastrophic Housing Annex (The Annex) dated August 12, 2012.

As all disasters are local, each community and state faces different challenges. The State-led Disaster Housing Task Forces in New York and New Jersey involve a collaborative approach to addressing the temporary housing and long-term needs of the disaster survivors, including the collection of available rental resources, projecting housing needs and exploring other options. Task Forces include representatives from state, local, and voluntary agencies, and federal partners including FEMA, the Department of Housing and Urban Development (HUD), the United States Army Corps of Engineers, the Small Business Administration (SBA), the Department of Veterans Affairs (VA) and the United States Department of Agriculture (USDA). The teams are working together to ensure they are making the greatest use of existing housing resources (such as apartments and rental units), enlisting voluntary agencies to make minor repairs so survivors can remain in their homes, and investigating other temporary housing options suitable for the area.

Through the state-led Disaster Housing Task Forces, affected states are taking the lead to identify their local needs. The Task Forces in New York and New Jersey involve a collaborative approach to addressing the temporary housing and long-term needs of the disaster survivors, including the collection of available rental resources, projecting housing needs and exploring other options.

As an example, one form of assistance requested by New York and New Jersey is a rapid repair program through STEP. Under this program, announced on November 9, 2012, the city, county and FEMA reached out to residents directly to offer: Residential Electrical Meter Repairs, Shelter Essential Measures, and Rapid Temporary Exterior Repairs. The intent of STEP is to

meet immediate life-sustaining needs so survivors can stay in or return to their homes and shelter in place until more permanent home repairs can be made.

Additionally, at the request of New York and New Jersey, FEMA activated the Transitional Sheltering Assistance (TSA) program, which allows eligible survivors who are in shelters and cannot return to their homes due to storm-related damages to stay in participating hotels or motels until more suitable housing accommodations are available. FEMA also provides Housing Rental Assistance. If a home cannot be repaired easily to safe and sanitary conditions, then local rental resources are the preferred first choice for housing disaster survivors as they recover. FEMA authorized funds to increase the amount of rental assistance that it may provide eligible disaster survivors in New York and New Jersey to 125 percent. This increase will be implemented when a survivor is recertified for a continued need for temporary housing assistance. The approved increase is expected to make an additional 1,800 rental resources available for temporary housing of disaster-impacted families.

As we move forward in the Response and Recovery missions after Hurricane Sandy, we will continue to work with the state-led Disaster Housing Task Forces to provide the forms of temporary housing assistance that best meet the needs of the survivors.

On Thursday, November 15, the President announced that he has asked Housing and Urban Development Secretary Shaun Donovan to continue to work closely with governors, mayors and local officials of New Jersey and New York as they begin the process of identifying redevelopment plans for affected communities. HUD is already an integral partner in the Response and Recovery of areas affected by disasters. We work closely with HUD to identify housing resources, provide the best housing support to disaster survivors, and serve as a crucial base of knowledge and guidance in disaster housing missions. FEMA looks forward to supporting Secretary Donovan in his mission and HUD's continued support of FEMA as we respond to and recover from Sandy.

Conclusion

FEMA will continue to work closely with the whole community, including our state, local, and tribal government partners, Secretary Donovan, HUD and other federal partners as the response and recovery efforts move forward. FEMA recognizes that we must look to local, tribal, and state leaders, as well as the whole community, to ensure that FEMA is able to provide disaster survivors with the assistance they need during the road to recovery.

Thank you Chairman Mica for providing me this opportunity to appear before you today to discuss preparations that took place in advance of Hurricane Sandy, the coordination that occurred throughout the storm, and the recovery efforts that remain in-progress. I look forward to answering questions you or other members of the Committee may have.

Question#:	1
Topic:	fuel shortages
Hearing:	A Review of the Preparedness, Response To and Recovery From Hurricane Sandy
Primary:	The Honorable John L. Mica
Committee:	TRANSPORTATION (HOUSE)
Name:	Craig Fugate, FEMA Administrator
Organization:	U.S. Department of Homeland Security

Question: Administrator Fugate, immediately following Hurricane Sandy, there was a severe shortage of fuel and working fueling stations due in part to the loss of power. The result was massive lines at the few stations able to provide fuel and rationing. At the hearing, Mr. David Popoff, Emergency Management Coordinator for Galveston County, Texas, highlighted elements of the plan Texas developed following similar shortages after Hurricane Rita. The Texas plan is intended to leverage private sector resources to facilitate preplanning and prepositioning of fuel prior to a disaster. Do you believe the Texas plan can be applied at a national level? What steps is FEMA taking to minimize the potential for fuel shortages following future disasters?

Response: FEMA works closely with States to review and refine all-hazards planning for fuel contingencies. FEMA has collaborated with the State of Texas and conducted an assessment utilizing the Logistics Capability Assistance Tool (LCAT), which evaluates the State's capabilities in executing all logistics requirements, including fuel. FEMA has also identified best practices that were identified as a result of the LCAT assessment and shared with other States.

FEMA and our interagency partners are currently undertaking an official after action process in which we have identified several initial lessons learned regarding energy challenges during Hurricane Sandy. Under the National Response Framework (NRF), the Department of Energy (DOE) serves as coordinator for Emergency Support Function (ESF) #12 – Energy. This ESF, through consultation with private sector energy owners and operators and state and local governments, facilitates the restoration of damaged energy systems and components, including the production, refinement, transport, and distribution of energy resources. During the immediate response to Hurricane Sandy and in support of ESF-12 operations, the President and Secretaries of Energy and Homeland Security established an Energy Restoration Task Force to help expedite power restoration and address fuel shortages in coordination with affected utility companies.

Regarding the Texas approach to mitigate fuel shortages, FEMA and ESF-12 intend to consider other State approaches during the lessons learned process. Preliminary observations support FEMA's position that we and our ESF-12 partners should:

- Evaluate temporary resolutions to regulations that may impede response operations;

Question#:	I
Topic:	fuel shortages
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Committee:	TRANSPORTATION (HOUSE)
Name:	Craig Fugate, FEMA Administrator
Organization:	U.S. Department of Homeland Security

- Ensure State and local energy assurance planning guidance that includes companies to help determine existing resource capabilities and requirements for restoring energy supplies to their service area following large-scale incidents.
- Collaborate in non-emergency times to ensure the importance of specific energy facilities, including their location, capacity, volume and output, is understood.
- Continue to work with States to develop improved methods to report and track the status and condition of gas stations and other fuel facilities during disasters.
- Encourage state, local, and tribal emergency management agencies and/or State Energy Offices and Public Service Commissions to conduct studies of local fuel capacity and power service areas in order to inform operational priorities in case of disaster and use the results of these studies to improve their energy assurance plans. Note, through the American Recovery and Reinvestment Act of 2009, the Department of Energy, for the first time, was able to provide grants to State and local governments for energy assurance planning. These funds have enabled State and local governments to develop or refine their energy assurance plans, develop in-house expertise on infrastructure interdependencies and related vulnerabilities, and integrate renewable energy portfolios and new applications, such as cyber security and Smart Grid technology, into their energy assurance planning.

Question#:	2
Topic:	disaster victims
Hearing:	A Review of the Preparedness, Response To and Recovery From Hurricane Sandy
Primary:	The Honorable Nick J. Rahall II
Committee:	TRANSPORTATION (HOUSE)

Question: Following Hurricane Sandy, West Virginia's Governor requested the declaration of a Federal disaster on November 1, 2012. It wasn't until November 27th that a disaster declaration was issued for Hazard Mitigation and Public Assistance. More than a month later, however, FEMA is still reviewing the State's request for Individual Assistance.

Meanwhile, disaster victims without insurance and the means to afford repairs are in limbo. Without individual assistance, West Virginia families cannot secure Federal funds to support the rebuilding or repair of their homes and personal property, nor can they secure funds for rental assistance and SBA loans.

When will FEMA make a determination regarding the State's request for Individual Assistance? Why does it take so long for a disaster determination to be made? What is FEMA doing to expedite the process for approving a Federal disaster declaration, and to clarify the Individual Assistance thresholds?

Response: The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) authorizes the type and amount of supplemental federal assistance that can be provided before, during, or after a disaster. In order to receive assistance, a Governor must submit a request to the President, certifying that the response to and/or recovery from the disaster is beyond the capacity of the state, territory, tribal, and affected local governments. FEMA reviews the request and in turn makes a recommendation to the President.

When preparing its recommendation, FEMA evaluates a number of factors when determining whether a disaster is beyond the capacity of state, territory, tribal, and affected local governments to respond and recover. These factors are laid out in FEMA's regulations at 44 CFR 206.48. When Governors request Individual Assistance, FEMA uses the following factors: concentration of damages, trauma, special populations (such as low income and elderly populations), voluntary agency assistance, and insurance coverage. When Governors request Public Assistance, FEMA uses the following factors: estimated cost of the assistance, localized impacts, insurance coverage in force, hazard mitigation, recent multiple disasters, and programs of other federal assistance. FEMA evaluates all declaration requests using these factors regardless of the size of the disaster and may consider other relevant information as well.

Question#:	2
Topic:	disaster victims
Hearing:	A Review of the Preparedness, Response To and Recovery From Hurricane Sandy
Primary:	The Honorable Nick J. Rahall II
Committee:	TRANSPORTATION (HOUSE)

In an attempt to provide more information and transparency regarding the process, FEMA offers training to assist Governors and their staff with the preparation of emergency and major disaster requests. To ensure FEMA receives all pertinent information needed to make an informed decision, it is imperative that a Governor's declaration request explain why the incident is beyond the capabilities of the state and impacted local governments to respond and recover. In addition, FEMA's Regional Administrators and their staff are available to provide assistance in developing a declaration request, and to answer any questions that state, territory, tribal, and local emergency managers may have. FEMA also maintains a dedicated webpage to inform and assist state, territory, tribal, and local emergency managers in navigating the disaster declaration process: http://www.fema.gov/rebuild/recover/dec_guide.shtm.

On November 27, 2012, a major disaster declaration was issued for the State of West Virginia authorizing Federal assistance under FEMA's Public Assistance Program for 18 counties and hazard mitigation statewide.

During the period of November 2-13, 2012, preliminary damage assessments were jointly conducted by federal, state, and local government personnel in the areas requested by the state to determine the damage to the dwellings as a result of Hurricane Sandy. Based on all information available, it was determined that implementation of the Individual Assistance Program was not warranted and Governor Tomblin was notified on December 11, 2012, that his request was denied. On December 31, 2012, Governor Tomblin appealed the denial of Individual Assistance for Fayette, Nicholas, Preston, Randolph, Tucker and Webster Counties, and requested the add-on inclusion of Upshur and Wyoming County for Individual Assistance.

On January 25, 2013, Governor Tomblin was notified that after a thorough review of all available information FEMA reaffirmed its original decision that the damage to dwellings as a result of Hurricane Sandy was not of the severity and magnitude as to warrant the implementation of the Individual Assistance program, and the State of West Virginia's appeal was denied. This was the final decision.

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT OF

MAJOR GENERAL MICHAEL J. WALSH
DEPUTY COMMANDING GENERAL,
CIVIL AND EMERGENCY OPERATIONS
U.S. ARMY CORPS OF ENGINEERS

BEFORE

THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

ON

A Review of the Preparedness, Response to and Recovery from
Hurricane Sandy

DECEMBER 4, 2012

INTRODUCTION

Mr. Chairman and Members of the Committee, I am MG Michael J. Walsh, Deputy Commanding General for Civil and Emergency Operations, U.S. Army Corps of Engineers. I am pleased to be here today to testify on the Corps activities to prepare for, respond to, and recover from Hurricane Sandy. Along with other federal agencies, states and numerous local entities, the Corps has a multitude of response activities underway in an effort to mitigate the risk to public health and safety and to facilitate recovery from this severe weather event.

During a natural disaster, the Corps may exercise authority under Public Law (PL) 84-99, Flood Control and Coastal Emergencies (FCCE) (33 U.S.C. § 701n), for certain emergency management activities in response to natural disasters. Under PL 84-99, the Chief of Engineers, acting for the Secretary of the Army, is authorized to undertake activities including natural disaster preparedness, advance measures, emergency operations (flood response and post flood response), rehabilitation of eligible flood control works threatened or destroyed by flood, repair of federally authorized shore protective works threatened or damaged by coastal storms, and provision of emergency water assistance due to drought or contaminated source. The Corps also responds to disasters at the direction of the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Act (42 USC 5121, *et seq.*). Under the National Response Framework, the Corps is assigned as the Coordinator for Emergency Support Function (ESF) #3, "Public Works and Engineering" and, during disasters the Corps is the primary executing agency for response activities, providing potable water, emergency temporary power and debris management and removal. FEMA is the primary agency for ESF#3 recovery activities and can assign missions to the Corps to assist in the execution of these and other recovery missions. Disaster response activities authorized by the Stafford Act, and prescribed by FEMA Mission Assignments to the Corps, are funded by FEMA's Disaster Relief Fund.

PREPAREDNESS and TRAINING

The FCCE appropriation account provides funds for the Corps preparedness with regard to emergency response to natural disasters, flood fighting and infrastructure search-and-rescue operations, and rehabilitation of flood control and hurricane protection structures. Disaster preparedness activities include coordination, planning, training, and conducting response exercises with local, state, and federal agencies. District Commanders, Tribal liaisons, and emergency management staff meet with federal, state, and local officials and other interested parties to discuss Corps authorities under PL 84-99, share lessons learned from previous flood events, conduct tabletop exercises, review sandbagging and other flood fighting techniques, and strengthen the collaboration among the Corps, State and local governments and tribal entities.

RESPONSE ACTIVITIES

Under PL 84-99, the Corps emergency assistance prior to and during a flood event is temporary in nature to meet an immediate threat and may only be undertaken to supplement non-federal efforts. The assistance is undertaken to mitigate risk to life and public safety by providing protection to critical public infrastructure against flood waters. Tribes and states must commit all available resources such as supplies, equipment, funds and labor as a general condition to receiving Corps assistance. Furthermore, the Corps emergency efforts are not intended to provide permanent solutions to flood risks. Therefore, the removal of all flood fight material at the conclusion of a flood event is the responsibility of the respective Tribe or state.

COLLABORATION AND COORDINATION

The Corps collaborates and coordinates with federal, Tribal, and state partners and close coordination occurs with appropriate state emergency management offices. During Hurricane Sandy, the Corps was part of FEMA's Joint Information Center to coordinate activities among all response agencies and transparently communicate to all affected parties and the communities. The Corps has also participated in national and regional exercises held by the Department of Homeland Security/FEMA. These exercises provide federal and non-federal agencies an opportunity to plan for natural disasters, and to learn about partner agency capabilities, resources, and responsibilities. The Corps works closely with other federal emergency response partners including: Department of Transportation, Housing and Urban Development, United States Coast Guard, National Guard Bureau, Department of Energy, Department of Agriculture, Department of Commerce (NOAA), the Department of the Interior, and state and local agencies. In particular, the Corps works closely with the Interior Department's Bureau of Reclamation, which has been an exceptional partner, providing technical resources that are vital to support the Corps surge requirements for quality assurance personnel.

PREPAREDNESS, RESPONSE AND RECOVERY TO HURRICANE SANDY

In preparation for Hurricane Sandy, the Corps took steps to ensure that personnel, facilities and equipment were pre-positioned to quickly respond to the event. Examples include:

- Lowered Pool Elevations Behind Corps Dams
- Closed Hurricane Barriers in Massachusetts, Rhode Island and Connecticut
- Coordinated and met with State Governors and Congressional Officials
- Moved Corps Vessels to safe havens
- Secured Corps Construction Projects and Facilities
- Deployed Mobile Command and Control Vehicles to Key Locations
- Executed Pre-Storm Inspections

- Updated Surveying Plans
- Staffed and Activated District and Division Emergency Operation Centers
- Issued approximately 218,000 Sandbags to States
- Deployed liaison Officers to New York City and the National Capital Region Office of Emergency Management
- Pre-positioned Power Generators to Intermediate Staging Bases
- Prepositioned 512 Truckloads of Water to New York & New Jersey
- Deployed supplemental Logistics & IT Teams to North Atlantic Districts
- Activated Alternate Emergency Operation Centers for each of the impacted Districts
- Deployed Liaison Officers to State Emergency Operation Centers
- Deployed ESF 3 Team Leaders/Assistant Team Leaders to the States.

On October 29, 2012, Hurricane Sandy was centered 285 miles east of Cape Hatteras, North Carolina and moving north with sustained winds of 85 mph, a Category 1 hurricane. The forecast had the center of Hurricane Sandy coming to shore at Ocean City, New Jersey. Peak wind for the National Capitol Region was projected to reach 74 mph. Along with wind damage, Sandy was expected to cause dangerous rip currents, beach erosion, minor coastal flooding, with an increase in potential for inland flooding, and power outages. The highest threat of storm surge was expected from 6 to 11 feet in Long Island Sound, Raritan Bay, and New York Harbor. The highest rain projections were predicted in the Delaware, Maryland, and Virginia Peninsula with isolated maximum amounts of 12 inches. Hurricane force winds would affect Mid-Atlantic States, and New York City and Long Island. Gale to tropical storm force winds would affect most of the northeast. Six Corps of Engineers Districts and their Division's Emergency Operation Centers were all activated and numerous response teams were moved into place.

Hurricane Sandy traveled along the Atlantic coast impacting the entire area from coastal North Carolina to Massachusetts. Described as a "superstorm", Sandy brought over 80 mph winds and surges up to 13.7 feet. Flood damages in the area severely impacted public infrastructure, flooding subways, highway tunnels, public housing structures, and wastewater treatment plants, causing extensive power outages, impacting mass transit systems, and affecting public housing and private residences.

During Hurricane Sandy, the Corps responded to missions assigned by FEMA, and provided 1,039 highly trained technical personnel including the 249th Prime Power Battalion in 13 states. The Corps response to Hurricane Sandy included 68 FEMA mission assignments for over \$351.6 million in New York, New Jersey, Massachusetts, Delaware, Ohio, Pennsylvania, Connecticut, West Virginia, and Rhode Island. These missions included; ESF#3 Management support for each state, Technical Assistance, Temporary Housing, Commodities (bottled water delivery), Temporary Power, and Debris Management and Removal. The Corps worked closely with the U.S. Coast Guard to determine threats to navigation and navigation closures, and affected ports were cleared and returned to operation.

The Corps provided technical assistance and response to federal, state, and local entities. These efforts included removing 475 million gallons of water from 14 areas identified by local entities, including the New York City (NYC) subway systems and tunnels, the Passaic Wastewater Treatment Plant, and restoring operation to the Hoboken Terminal. These efforts were successful due to a dedicated and determined team of federal, state and local partners, including the Corps, the Navy, the US Coast Guard, the Department of Transportation, the NYC Transit System, and many others.

As of November 27, 2012, the Corps response efforts also included:

- Temporary power - installed 199 generators in critical locations, de-installing each as the power grid was restored. De-installed generators are serviced and returned to FEMA when fully mission capable;
- National water - provided 512 truckloads of water to New York, New Jersey, Pennsylvania, and West Virginia;
- Infrastructure assessment/technical assistance - completed 16 assessments (to date) with 2 additional awaiting assessments of the facilities;
- Debris removal efforts - ongoing with a total of 180,763 cubic yard of debris removed to date;
- Temporary housing efforts - ongoing with state government and FEMA refitting one building for temporary housing at Fort Monmouth, New Jersey. After remodeling, the building will provide 45 apartments that meet tenant and ADA requirements. FEMA will handle operations and maintenance after project turnover.
- Breach Closure at Mantoloking, New Jersey completed under FEMA mission assignment in partnership with New Jersey Department of Transportation.
- Breach Closure at Fire Island to Montauk Point Federal Project, Smith Point County Park (west of Moriches Inlet) and Cupsogue County Park (east of Moriches Inlet), New York under existing Civil Works Authorities.

DAMAGE TO CORPS OF ENGINEERS PROJECTS FROM HURRICANE SANDY

The Corps of Engineers continues to assess the extent of damages to Civil Works projects operated by the Corps. Damages to projects in the PL 84-99 Rehabilitation and Inspection Program include both federally constructed and non-Federal projects that are eligible for assistance from the Corps as a result of the flooding due to Hurricane Sandy.

CONCLUSION

In conclusion, the Corps of Engineers stands ready to respond to and assist in recovery from disasters, both under its own authorities and under the Stafford Act in support of FEMA as missions are assigned. Mr. Chairman, this concludes my testimony. I would be happy to answer any questions you or other Members of the Committee may have.



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, DC 20314-1000

REPLY TO
ATTENTION OF

Civil Works Directorate

17 Jan 2013

Honorable Bill Shuster
Chairman, Committee on Transportation
and Infrastructure
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am responding to the letter from Chairman John Mica, dated December 12, 2012, which forwarded a Question for the Record from the Hearing entitled, "*A Review of the Preparedness, Response To and Recovery From Hurricane Sandy*," held on December 4, 2012.

The question was submitted by the Honorable Eleanor Holmes Norton, Ranking Member, Subcommittee on Economic Development, Public Buildings, and Emergency Management. My response is enclosed with this letter.

I look forward to working with you and Ranking Member Rahall on issues concerning the U.S. Army Corps of Engineers. A copy of this letter is being sent to Mr. Rahall.

Sincerely,

Michael J. Walsh
Major General, US Army
Deputy Commanding General
for Civil and Emergency Operations

Enclosure

Questions for the Record for
Major General Michael Walsh
Deputy Commanding General, Civil and Emergency Operations
U.S. Army Corps of Engineers

“A Review of the Preparedness, Response To and Recovery From Hurricane Sandy”
December 4, 2012

Question submitted by The Honorable Eleanor Holmes Norton, Ranking Member, Subcommittee on Economic Development, Public Buildings, and Emergency Management

It seems that storms are occurring more frequently. Please provide the Committee storm data and whether it is still accurate and appropriate to building to a 100-year storm.

Response: Typically, precipitation, water levels, and other hydrometeorological data are collected by the National Oceanic and Atmospheric Administration (NOAA) and the United States Geological Service (USGS). These agencies are currently evaluating the data associated with Sandy to determine the probability associated with this event. Superstorms are so rare that the statistics are very tricky to do correctly. This kind of work, which depends on complex numerical climate and storm models, takes an enormous amount of time, so any definitive results about the storm or surge frequency associated with Sandy very likely won't be available for a year or more.

The "100-year storm" is a common term for a complex statistical characterization more specifically defined to be an event that has a 1% probability of occurring in any year. The common use of the term "100-year event" is derived mostly from the regulatory concept associated with FEMA's National Flood Insurance Program. The Corps does not constrain its formulation of alternatives to a specific storm frequency such as a 1% event, but evaluates projects based on all probable events considering the probability of occurrence and the associated consequences. Project alternatives are evaluated based on performance in reducing these risks relative to the cost of the project.

The Corps has been actively working with internal and external experts to prepare for and adapt to potential increases in weather extremes as climate continues to change. Our collaborative efforts with Federal, state, local, and other partners help us all to understand and plan and prepare for changing conditions, including climate changes that can affect our missions and operations. Changes in the frequency of storms and storm surge, whether resulting from climate or other global changes, would not necessarily lead to changes in the methods the Corps uses to plan and design levels of risk reduction. This is because the Corps' engineering techniques, policies, and procedures are flexible enough to incorporate changes in rare events within current practices. The Corps also continually evaluates these techniques, policies, and procedures to ensure that we are maintaining and designing resilient and robust infrastructure and other mission operations for the future, as we have done over the history of the nation.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

**Written Testimony of Frederick Tombar
Senior Advisor for Disaster Recovery to Secretary of U.S. Department of
Housing and Urban Development (HUD)**

**Hearing before the House Committee on Transportation and Infrastructure
on**

**A Review of the Preparedness, Response to and Recovery from Hurricane
Sandy**

Tuesday, December 4, 2012

Chairman Mica, Ranking Member Rahall and Members of the Committee, thank you for the opportunity to testify today regarding Federal government actions in the aftermath of Hurricane Sandy, particularly by the Department of Housing and Urban Development (HUD). As Senior Advisor for disaster recovery to HUD Secretary Shaun Donovan, I have been deeply involved in those activities, including with respect to the role that President Obama has announced for Secretary Donovan.

Hurricane Sandy and the nor'easter that followed have had immense and varied impacts in New York, New Jersey, Connecticut, West Virginia, Maryland, and a number of other States. Within the United States, the hurricane itself resulted in 121 confirmed fatalities, major flooding, structural damage, and power loss to over 8.5 million homes and businesses, directly affecting more than 17 million people. As a consequence of the combined effect of the storm, hundreds of thousands of residents left their homes and sought shelter from as far south as North Carolina, as far north as New Hampshire, and as far west as Indiana. Especially hard hit were New York and New Jersey, which are critical economic engines of our nation. These two States employ 12.7 million workers, accounting for about 10 percent of U.S. payroll employment. They export about \$90 billion in goods annually, accounting for about 7 percent of such exports, and contributed \$1.4 trillion to our gross domestic product (GDP) in 2011, accounting for more than 11 percent of GDP. Thus, recovery and rebuilding is not only a State and local priority, but a crucial national priority.

This is an issue of particular concern to me. In addition to my previous work relating to housing issues at the Federal Housing Administration (FHA) under previous Administrations, I directed a key project in response to Hurricanes

Katrina and Rita: the Road Home Program in Louisiana. This project served as the largest single housing recovery program in the history of the United States. In these capacities, and as someone born and raised in New Orleans, I have seen first-hand both the devastation that storms like Sandy and Katrina have brought and the tremendous results of sustained and effective recovery and rebuilding efforts. This work is deeply personal to me.

In my testimony today, I will describe HUD's participation in the ongoing response and focus on recovery efforts concerning the storm, as we have done with respect to other such disasters, in close cooperation with our colleagues at the Federal Emergency Management Agency (FEMA) and other agencies. I will also discuss the role that the President has announced for Secretary Donovan with respect to Federal rebuilding efforts.

HUD's participation in ongoing response and focus on recovery efforts

Unfortunately, one of the major effects of storms like Sandy is destruction and damage to the homes and apartments where people live, and the displacement of numerous families and individuals. Accordingly, HUD has played a significant role in response to and recovery from past major storms, and is doing so with respect to Sandy as well.

Before I describe some of HUD's activities, it is important to note the unprecedented cooperation that is taking place among Federal, State, local, and tribal authorities. HUD, FEMA and other parts of the Department of Homeland Security (DHS), as well as the Departments of Transportation and Health and Human Services plus the Small Business Administration and the Army Corps of Engineers, are all in place and working together. We are all coordinating our work with State, local, and tribal officials, who are doing a truly herculean job on the response and recovery. This unprecedented level of cooperation and partnership is how we will continue to speed the recovery and related efforts to the most affected areas.

A key HUD priority has been providing immediate help to storm-displaced families to find temporary replacement housing, whether they were displaced from private or government-assisted housing. We have identified thousands of housing units, including more than 12,000 available units in HUD-assisted housing, and have been getting that information to displaced individuals. We also are allowing providers of housing for seniors the flexibility to open up vacant units to storm evacuees.

HUD has also focused on help to persons living in and owners of HUD-assisted housing damaged or destroyed by the storm. This includes, for example, helping to temporarily house displaced persons, getting boilers and generators to impacted developments that house low-income families, and waiving administrative requirements (while ensuring appropriate safeguards) so as to facilitate the rapid delivery of safe and decent housing to displaced PHA and multifamily housing residents. We have also increased fair market rental allowances to make it easier for displaced Section 8 voucher recipients to find replacement housing.

HUD is working to encourage the private sector to help displaced families. Shortly after the storm, HUD Secretary Donovan reached out to several private sector organizations to encourage their involvement in this effort, and a number have stepped forward at least partially as a result. This recognizes the importance of engagement by the private sector as well as government in relief efforts. For example, Angie's List is providing free, one-year memberships to one thousand homeowners in the New York City tri-State area to help with Sandy relief by making it easier for families to find local contractors, auto repair specialists, and health care professionals who are highly rated by other consumers. Walk Score has launched a website to support people in search of temporary housing after Sandy. HotelTonight recently announced a \$60,000 contribution to the American Red Cross to support relief efforts for Sandy victims, and will donate 10 percent of its net revenues in New York City for the month of November to the Red Cross for this purpose.

We have deployed HUD personnel to help staff FEMA Disaster Recovery Centers and do other storm-related work. This has included providing local housing resource help, program information, and other help to storm victims, mobilizing special needs providers from other States to assist families in shelters, and activating our Northeast network of field offices to communicate daily with impacted PHAs.

There are more than 200,000 homeowners with FHA-insured mortgages in the affected areas in New York, New Jersey, and Connecticut. HUD has provided foreclosure protection for storm victims with FHA-insured mortgages through a mandatory 90-day moratorium on foreclosures.

We are also offering assistance to storm victims who must rebuild or replace their homes. In particular, FHA insurance is available to such disaster victims who seek new mortgages, and borrowers from participating FHA-approved lenders are eligible for 100 percent financing, including closing costs. HUD is also directing banks to provide insurance payments they receive related to the storm directly to homeowners, in order to avoid the problem that occurred after Hurricane Katrina where some mortgage companies used some insurance payments that were supposed to be used to rebuild damaged homes for other purposes. HUD is working to get information on these and other assistance efforts to affected homeowners.

HUD is also providing help to affected State and local governments. For example, we have provided waivers of existing rules so that existing Federal Community Development Block Grant (CDBG) and HOME funds can be used for disaster relief. Collectively, the CDBG and HOME grant programs allow grantees to meet a broad range of needs, including housing, economic development, infrastructure, and the provision of public services. We are also working with State and local governments and tribes to develop interim housing plans and to provide loan guarantees for housing rehabilitation.

The President's announcement of Secretary Donovan to lead Federal rebuilding efforts

As you know, on November 15, President Obama announced that HUD Secretary Donovan will lead coordination of the Federal action relating to Hurricane Sandy rebuilding efforts. This role is different from and in addition to the role that Secretary Donovan usually carries out with respect to disasters as HUD Secretary. In understanding the Secretary's role in relation to the National Disaster Recovery Framework (NDRF), it is important to understand the NDRF and how it was developed.

Early in his first term, President Obama recognized that previous experience concerning Hurricane Katrina and other disasters highlighted the need for additional guidance, structure, and support to improve how we as a Nation address disaster-related recovery and rebuilding challenges. In September 2009, President Obama charged the Departments of HUD and Homeland Security to work on this effort and to establish a Long Term Disaster Recovery Working Group, composed of more than 20 Federal agencies. HUD, DHS, and the Working Group consulted closely with State and local governments as well as experts and stakeholders, and worked on improving the Nation's approach to disaster recovery and on developing operational guidance for recovery efforts. As a result, FEMA published a draft of the NDRF in 2010, carefully reviewed and considered more than one hundred public comments, and the final version of the NDRF was published in September, 2011.

The NDRF addresses the short, intermediate, and long-term challenges of managing disaster-related recovery and rebuilding. It recognizes the key role of State and local governments in such efforts, and sets forth flexible guidelines that enable Federal disaster recovery and restoration managers to operate in a unified and collaborative manner and to cooperate effectively with State and local governments. The NDRF defines core recovery principles; roles and responsibilities of recovery coordinators and other stakeholders; flexible and adaptable coordinating structures to align key roles and responsibilities and facilitate coordination and collaboration with State and local governments and others; and an overall process by which communities can capitalize on opportunities to rebuild stronger, smarter, and safer after a disaster.

The Secretary's responsibilities in this role will occur in coordination with the NDRF and will involve cooperating closely with FEMA and the other agencies already involved in recovery efforts. The focus will be on coordinating Federal support as State and local governments identify priorities, design individual rebuilding plans, and over time begin implementation. The Secretary will be the Federal government's primary lead on engaging with States, tribes, local governments, the private sector, regional business, non-profit, community and philanthropic organizations, and the public on long-term Hurricane Sandy rebuilding.

A key objective will be to cut red tape for State and local governments and tribes as they seek Federal assistance for longer term projects and identify priorities for community development. These areas of work will include housing, infrastructure

systems, small business and local industry, health systems, social services, and natural and cultural resources.

One of Secretary Donovan's roles will be to help identify priority needs for long-term rebuilding by working directly with State, local, and tribal authorities to communicate priorities to Washington. There is significant need including supporting small business through disaster loans and other relief; rebuilding homes while creating safer, more responsible building codes; restoring and protecting the environment; and building better and stronger infrastructure. The Secretary will serve as the principal point of contact for the President and his senior advisors, and will be focused on providing effective, integrated, and fiscally responsible support from across the Federal government to support States, local governments, tribes, the private sector, and faith-based and other community organizations in the rebuilding effort.

Work on the structure and functioning of this new effort is proceeding rapidly. Secretary Donovan has already met with a number of the most directly affected Federal, State, and local officials, and I know he is looking forward to working with this Committee and other Representatives and Senators on this important effort.

Thank you again for the opportunity to testify today. I would be pleased to answer any questions you may have.



**RESPONSES TO QUESTIONS FOR THE RECORD TO
U.S. Department of Housing and Urban Development
Re: December 4, 2012 hearing before
House Committee on Transportation and Infrastructure**

1/ Please provide the Committee actions taken by HUD and FEMA to work with States on delaying private rebuilding until the disaster area is assessed for the best building codes and standards.

A: The actions taken by HUD are specific to the area affected. The International Code Council maintains a list of state adoptions of international building codes, and funders can refer to that list for quick information state by state. <http://www.iccsafe.org/gr/Documents/stateadoptions.pdf>. HUD is not able to delay private local rebuilding, but if the list reveals code issues, HUD and FEMA can and do raise code adoption and enforcement issues with affected states.

- For example, in Louisiana after Hurricane Katrina, most of the affected parishes did not have modern building codes or lacked consistent, professional code enforcement. FEMA and HUD supported the state's efforts to adopt statewide current International building codes (I-codes) very early in the recovery (December 2005). Louisiana's statewide adoption of the then most up-to-date I-codes in the country occurred before the CDBG-DR supplemental bill was enacted.
- In New York and New Jersey, modern building and energy codes were already administered by the state. The state governing authorities require that minimum codes are uniform throughout the states.
- In Moore, Oklahoma, HUD provided technical assistance to help the city assess its unmet recovery needs. The technical assistance included discussing modern building code and permitting standards and enforcement. Moore had already adopted modern I-codes.

2/ Please provide the Committee with an outline of HUD's lead role, duties, and responsibilities in the recovery from Hurricane Sandy.

A: As with any disaster subject to the Natural Disaster Recovery Framework (NDRF), HUD is playing an important role in recovery from Hurricane Sandy. It is involved in carrying out several Federal recovery support functions, which provide the coordinating structure for Federal efforts to support state and local governments and tribes by facilitating problem solving, improving access to resources, and fostering coordination among all participants in recovery efforts.

Mr. Tombar's testimony at the December 4 hearing outlined some of the specific tasks being performed by HUD.

Under the NDRF, HUD is designated as the coordinating agency for the housing recovery support function, and is charged with coordinating and facilitating the delivery of Federal resources and activities to assist local, State and Tribal governments in the long-term rehabilitation and reconstruction of destroyed and damaged housing and the development of other new accessible, permanent housing options, where feasible. HUD's overall responsibilities in this regard are outlined in the NDRF itself, particularly at p. 55-57.

In addition, because Sandy has been one of the most devastating and costly disasters in our history, the President recognized that responding to this disaster required an additional focus on rebuilding efforts coordinated across Federal agencies and State, local, and Tribal governments in order to effectively address the enormous range of regional issues. Accordingly, the President signed an Executive Order on December 7, 2012, creating the Hurricane Sandy Rebuilding Task Force and designating the Secretary of HUD to be the chair.

The Secretary's responsibilities in this role have occurred in coordination with the NDRF and have involved cooperating closely with FEMA and the other agencies already involved in recovery efforts. The focus has been on coordinating Federal support as State and local governments identify priorities, design individual rebuilding plans, and over time begin implementation. The Secretary, as Chair of the Task Force, has coordinated the Federal government's engagement with States, tribes, local governments, the private sector, regional business, non-profit, community and philanthropic organizations, and the public on long-term Hurricane Sandy rebuilding. Pursuant to the President's Executive Order, the Task Force submitted in August a comprehensive report on Hurricane Sandy rebuilding strategy and will complete its work in September.



ROBERT LATHAM
MISSISSIPPI EMERGENCY MANAGEMENT AGENCY DIRECTOR

TESTIMONY
BEFORE THE

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

ON

“A Review of the Preparedness, Response To and Recovery From Hurricane Sandy”

THE UNITED STATES HOUSE OF REPRESENTATIVES

DECEMBER 4, 2012

INTRODUCTION

Thank you Chairman Mica, Ranking Member Rahall, and distinguished members of the Committee for allowing me the opportunity to provide you with a statement for the record on what Mississippi has learned in recovering from a disaster, especially one considered catastrophic. I am Robert Latham, the Director of the Mississippi Emergency Management Agency. I am a retired Sergeant Major from the Mississippi Army National Guard, retired fire chief, and former county emergency management director.

This is my second time to have the privilege to serve the people of Mississippi as MEMA Director. I served as Director from February 2000 to July 2006 and oversaw 11 Presidential disaster declarations, including Hurricane Katrina, considered by many experts as the most catastrophic disaster to impact our country in recent history. I retired in July 2006 and worked in the private sector as an emergency management consultant, advising both the public and private sectors in emergency management issues including state and local planning, response and recovery operations in a variety of disasters. During that time I had the opportunity to assist in several FEMA sponsored planning initiatives including catastrophic planning for northern California and the State of Hawaii. In January of 2012, at the request of Governor Phil Bryant, I returned to public service as Director of MEMA.

Several communities and states in the northeast are now facing many of the same recovery challenges as a result of Hurricane Sandy that Mississippi experienced following Hurricane Katrina. To date, through the Emergency Management Assistance Compact (EMAC), Mississippi has provided more than 100 experienced emergency managers, law enforcement officers, and public works officials to assist in the states of Maryland and New Jersey. As the response comes to an end, the long and difficult task of recovery begins. The landscape in many of these communities has changed forever. Thousands of citizens face an uncertain future as they deal with the reality that their lives will never be the same and businesses wrestle with the decision as to whether to rebuild or not.

Disaster is certainly no stranger to Mississippi. Unfortunately our communities and state are experienced in disaster preparedness, response, and recovery. Since I first became MEMA Director in February 2000, the state has been granted 20 presidential disaster declarations. I have overseen the response and recovery to 12 of these disasters ranging from isolated tornadoes and flooding affecting a few counties to Hurricane Katrina which resulted in all 82 counties being declared disaster areas by the President. As of today the state has 19 open disasters in various stages of the recovery process. With this disaster experience, we have faced and overcome many challenges and there is very little we do not know about the recovery process.

As I begin let me say first and foremost that Mississippians know what you are facing and our thoughts and prayers are with all those dealing with the aftermath of Hurricane Sandy. I hope that my testimony here today regarding our experiences and lessons learned from Hurricane Katrina in Mississippi and other disasters we have experienced will, in some small way, help Congress as it deliberates the way forward and how communities impacted by Hurricane Sandy in the northeast will expedite their recovery process. There is no reason why they should have

to independently learn the lessons of a complex recovery when they have already been learned by other communities such as those along the Mississippi Gulf Coast since Hurricane Katrina.

OVERVIEW

Large scale, multi-jurisdictional disasters or catastrophic events affect every aspect of a community; where citizens work, where they worship, where children go to school, safety and security and other government services, but most importantly where our citizens live and raise their families. When each of these areas are affected or destroyed, recovery becomes a way of life for weeks, months and as we know in Mississippi, even years.

Recovery is a shared responsibility and its success depends greatly upon an effort that is locally driven, utilizing a local, state and federal structure, and guided by a common vision and strategy. A successful community recovery following a large scale or catastrophic event requires a unity of effort in developing a well thought out and realistic Long Term Community Recovery plan. This can only be achieved with strong local leadership, vision, strategy and resources. The absence of such a plan will often result in a recovery guided by political posturing and changing priorities resulting in extensive delays. There are never enough resources to support a “pie in the sky” plan that often falls short of expectations. While there will never be enough resources to do everything we WANT to do as we rebuild, that does not mean we shouldn’t rebuild our communities better, smarter, safer, and more resilient.

LEADERSHIP – WHO IS IN CHARGE?

Success can be measured in several ways but there is no question as to its importance in any undertaking. A structure has to be in place that takes advantage of the expertise and knowledge that exists in a community. The first and most important aspect of recovery is strong leadership with a bottom-up approach. Every disaster, no matter the size or scope, begins and ends at the local level. Success or failure in this effort will rely heavily on strong local leadership but other factors may delay the recovery which I will discuss later in my testimony.

Every decision that is made should answer the question, “Is what we are doing best for the community and can we sustain it?” From our experience since Hurricane Katrina, there must be a local unified Long Term Community Recovery Committee established. This committee should be driven at the local level with representatives from local, state and federal government entities as well as non-governmental and other faith-based organizations, private sector partners and citizens. Every member of this committee is just as important as another because they have either a vested interest in the recovery and represent either stakeholders in the process or the outcome and/or control resources and represent a segment of the community that is critical to its viability. The more input in the recovery process, the more creative and successful a community can be in rebuilding sustainable, resilient and prosperous communities. Key considerations in the leadership component are:

- Unified command/coordination – unity of effort.
- Local, state, federal, private sector, NGOs, and citizen involvement.
- Situational awareness.
- Stabilize the situation.

- Organized/deliberate incident action planning.
- Progress reports or updates.
- Transparency.
- Coordinated, consistent public messaging.
- Manage expectations.
- Appoint a Recovery Manager/Czar.

VISION: WHERE DO WE WANT TO GO?

A community impacted by a major or catastrophic disaster needs to take a step back, take a deep breath and develop a vision for where it wants to be at the end of this recovery journey. Following an event like Hurricane Sandy, there is an immediate rush to ensure that we rescue those that are trapped or injured, recover the bodies of those that did not survive, provide safe shelter and food for survivors that have lost everything, restore power and critical infrastructure, and ensure that we secure the disaster zone to protect life and property. We then begin removing the debris, repair or rebuild infrastructure and try to return the community to a sense of normalcy. Unfortunately in the rush to recover, we fail to take advantage of the opportunities we have. What do we want our community to look like at the end of the recovery? Decisions made early in this process for the right reason can have unknown consequences that may result in wasted effort and resources that could have been directed towards rebuilding our communities the way they should be.

FEMA does an outstanding job of providing short term solutions and assistance, but these efforts do not make a community whole again. Communities must think beyond temporary solutions and assistance for a more permanent, sustainable solution that makes the community a place that citizens want to return to and promote future growth. Permanent housing relies heavily on infrastructure and goes hand in hand with getting citizens back to work, children back in school and restoring the economy and tax base of an area. If people have a place to live and work they will need places to shop, which leads to restoration and even growth of the business sector. In addition, the re-establishment and repair of critical infrastructure must be considered in the vision of long term recovery to sustain all aspects of community life. All of this depends on a well-thought out vision for the community. Key considerations in developing the vision for long term recovery plan include:

- Re-establishment of basic government services.
- Existence of a strong, active Long Term Recovery Committee.
- Locally driven planning.
- Short and long term goals and milestones.
- Timeline for repair and/or replacement of infrastructure.
- Sustainability of the rebuilding effort (maintenance, rent, staffing, utilities, insurance).
- Availability of housing.
- Shifts in population - plans for development of housing.
- Impact of new codes or building ordinances.
- Impact of potential flood map revisions.
- Availability of schools.

- Availability of quality health care.
- Economic recovery.
- Restoration of the tax base.
- Potential impact of increased insurance rates.
- Mitigation measures.
- Availability of resources.

STRATEGY: HOW TO WE GET THERE FROM WHERE WE ARE?

Once the Long Term Community Recovery Committee has developed a vision for the recovery, the work really begins. While I believe that we sometimes have a tendency to over-plan, I am a firm believer in developing a plan that clearly lays out the path forward for recovery. Taking the vision and converting it into priorities with actionable steps and/or projects and a timeline with milestones, ensures that the committee remains focused and resists the temptation to shift priorities and resources for short term gains. Once this has been done, the key then becomes matching resources and funding with the individual components of the strategy. Unless communities leverage the funding from various sources, including FEMA, Community Development Block Grants (CDBG), Small Business Administration (SBA), and non-governmental organizations, economic development agencies, and state disaster funding, if applicable, and build a strategy around these resources, communities will fall short of recovery expectations and goals. Some of the major components of developing the strategy include:

- Engage the "whole community", including the private sector.
- Develop a plan to support the vision for recovery.
- Resist the temptation to make hasty decisions.
- Establish a timeline and measurable milestones.
- Track progress.
- Integrate mitigation strategies in rebuilding.
- Integrate infrastructure, housing, transportation, and economic development.
- Consider where to rebuild/build schools.
- Manage expectations.
- Document, document, document!

RESOURCES: WHAT DO WE NEED TO GET US THERE?

Resources can be the one component of recovery that can make a community fall short of expectations. Stafford Act and other available funding options are limited, especially when economic growth is slow and budgets are strained. After large scale or catastrophic disasters, budgets are stressed even more. There is fierce competition and a scarcity of available funding to meet all of the recovery needs of a community. Once the recovery plan has been developed and priorities are established then the officials have to match available resources with projects that will drive the recovery. That again brings us back to a locally driven approach to recovery. It is absolutely critical to have all the stakeholders at the table, working together towards a common goal, leveraging the resources to maximize outcomes, and matching these resources with appropriate, eligible projects. Only then can a community achieve its full potential.

During catastrophic events, recovery funds will come from various sources, including the federal government, and local officials have to be aware of the restrictions of these funds to avoid the potential for duplicated benefits ultimately resulting in de-obligations. In addition, it is important to note that strong relationships must be built with the private sector to promote economic growth and stability over the long term. Repair and rebuilding of critical infrastructure has a significant impact on the private sector which is critical to a community's long term recovery and survivability.

Some factors to consider related to the resources component of recovery are:

- Insurance proceeds paid before FEMA funding.
- Eligibility for FEMA Public Assistance (PA) funding, including Stafford Act Section 406 mitigation funding.
- Consideration of federal/non-federal cost share for the disaster (75/25, 90/10, 100/0).
- Integration of Hazard Mitigation Grant Program (HMGP) (Stafford Act Section 404) funding.
- Community Disaster Loan (CDL) program.
- Small Business Administration (SBA) Disaster Loan Program.
- Community Development Block Grant (CDBG) funding.
- State disaster program funding, if available.
- Donations and in-kind contributions.
- Capturing volunteer hours.

CHALLENGES TO RECOVERY

Inconsistency in Application of FEMA Programs

Recovery efforts are often impeded by the varying interpretations in the application of the Stafford Act programs or FEMA policy. Looking back on the last seven years since Hurricane Katrina, some of the most difficult challenges for the communities along the Mississippi Gulf Coast have resulted from reversal of initial decisions by FEMA personnel in administration of the public assistance programs. These reversals and lack of consistency caused constantly changing determinations of work eligibility and project costs, leading to delays in the recovery process. Frequent turnover of FEMA staff led to many of these reversals and changing guidance in project worksheets. These changes often resulted in reduced scopes of work for projects and loss of federal funds. In many cases applicants had already expended funds and moved forward with projects, only to be faced with costly de-obligations and delayed project completion.

Some of the problems outlined above are due in large part to the differences in how programs are administered across the various FEMA regions. During large scale events or a catastrophic disaster, FEMA staff is pulled from the various regions to assist in these mega-disasters. As a result, differences in interpretations on program administration, or in some cases unfamiliarity with FEMA programs or inexperience lead to delays in completing recovery projects and closing the disaster.

De-obligation of Disaster Funds Hampers Recovery

FEMA has been an outstanding partner to the state and our local governments but in several cases, recovery has been hampered by an oversight system that focuses on the recovery of federal funds through de-obligation and not the identification, proposal and application of solutions to problems in the FEMA PA program. The Department of Homeland Security Office of Inspector General has contributed greatly to ensuring that misuse of federal funds has been minimized. In Mississippi we instituted an accounting and auditing process to minimize these potential de-obligations. I do however believe that the OIG should not recommend de-obligation of funds that were paid to local governments that had followed FEMA guidance unless there is obvious fraud or violation of law.

Managing Expectations of Stafford Act Assistance

Building back after a catastrophic event provides a community the unique opportunity to rebuild with the benefit of hindsight. Most communities evolve over decades and as a result are not necessarily designed and built with the benefit of deliberate, comprehensive planning and design. In many cases, once a disaster hits a community, there is a tendency for local governments to expect FEMA to reimburse or cover every project they ask for in recovery. It is important to manage these expectations and remember that the public assistance program is meant to help put back what you had before. While this concept helps curtail wasteful spending, it sometimes opens the door to misinterpretation by FEMA staff. For example, we had a small school district lose its fleet of buses during Hurricane Katrina. The buses were old and it was unrealistic to expect the school to shop around for used buses that are the same age and mileage as the ones that were destroyed. FEMA denied the request, but was later overturned in the arbitration process. So managing expectations in a catastrophic disaster is a challenge to both local governments and FEMA that needs to be addressed every step of the way.

RECOMMENDATIONS

Implement the Results of the PA Pilot Program

I would also like to see FEMA re-establish the provisions of its successful Public Assistance Pilot program that was implemented from June 2007 to December 2008. The goals were to reduce the costs to the federal government of providing assistance to state and local governments, increase flexibility in grant administration, and expediting the provision of assistance to states and local governments. A few highlights of the program that were very successful included:

- Providing block grants on the basis of estimates for projects less than \$500,000.
- Created incentives for applicants to retain revenue from projects that come in under cost.
- Increased the federal cost share to applicants that have a FEMA-approved debris management plan and at least two pre-qualified debris and wreckage removal contractors identified prior to a disaster.
- Allowed applicants to retain any revenue from recycling disaster debris as an incentive to recycle.

- Reimbursed the straight- or regular-time salaries and benefits of an applicant’s permanently employed staff that performs debris-related activities.

Increase State Management Costs

FEMA’s current Disaster Assistance Policy caps state management costs at 3.34 percent of the federal share of the projected total PA program costs. This amount is inadequate to assist communities and states with the increased workload associated with major or catastrophic disasters. FEMA has studied the possibility of increasing the cap on management costs. We recommend a minimum level be set at seven percent. Had a 3.34 percent management cost policy been in effect during Hurricane Katrina recovery, Mississippi would not have been able to implement an effective management program to support the costs of managing the recovery. In spite of the disaster, communities and states must continue providing basic government services. As a result, without an increase in the cap on management costs, local and state governments must manage the enormous work load of a recovery while continuing the basic government services they are expected to provide. With an increase, additional staff could be hired to focus entirely on recovery thereby facilitating and expediting the recovery process. The current policy must be changed and states should be funded at a level that allows for effective management of this critical recovery program.

Streamline Environmental and Historic Preservation Reviews

One of the most frustrating issues throughout our recovery and rebuilding efforts has been duplicative environmental and historic preservation reviews. The federal government should streamline this process by requiring only one environmental and historic preservation review per project, regardless of whether multiple federal funding sources are contributing to the project. Currently, each federal agency that is contributing funding to a project must conduct its own environmental and historic preservation review. This requirement is time-consuming, redundant, and had significantly delayed rebuilding efforts. In our view, the federal program with the largest funding contribution for a project should be responsible for addressing the environmental and historic preservation reviews and sharing results with other federal agencies.

Explore Additional PA Pilot Program Opportunities

The PA Pilot Project previously mentioned above provided many success stories and resulted in several recommendations that, if implemented, could facilitate and expedite the public assistance program. FEMA, working with the states, should establish a panel to explore other initiatives that could provide greater flexibility in the public assistance program and make it more effective and efficient to reduce recovery time. For example, the pilot could be expanded to include larger projects, to add more flexibility for the use of retained revenue and incentives broadened for cost saving measures.

MISSISSIPPI BEST PRACTICES

Success of Mississippi PA Project Database Program

Mississippi received \$3.2 billion in Public Assistance Grants for Hurricane Katrina. Given the scale of the PA program and extraordinary amount of funding involved, we put in place one of the most efficient management systems for PA funds. The system, MississippiPA.org, minimizes

the potential for fraud and ensures local governments keep track of the completion of and payments for their funded projects. To most effectively manage the PA program, we hired an engineering firm to make sure the scopes of work were properly determined and hired an accounting firm to ensure that finances are properly documented and minimize any potential for the de-obligation of funds. The state developed a software system that automatically tracks the funds from the original project estimate, through the request for reimbursement, to the disbursement of funds. The software is integrated with FEMA’s and the state’s disbursement systems. The strong financial and programmatic/technical management system that we have established in Mississippi to maintain internal control is a model for other states during disaster recovery. A similar web-based system is in place for Mitigation projects called MitigationMS.org. These systems are best practices and FEMA should provide funding to states to create these kind of databases.

Creative Initiatives to Support PA Implementation

During Katrina recovery Mississippi implemented several initiatives to support and maximize efficiency of the PA program. Some of the unique approaches we took included:

- **Integrated Project Management-** Many local applicants are blending their PA project funds with other federal and state funds, including HMGP, HUD Community Development Block Grants, and State Archives and History grants. We recognized the need to bring all of the project stakeholders together to ensure transparency of funds, align reviews and deadlines, and ensure rapid decision-making. Through monthly meetings with the applicants, together with all relevant state and federal partners we facilitated timely decision-making and developed workable policies for accurate funds tracking and allocation of insurance proceeds. The participation of FEMA Recovery Office leadership and staff and support from the Regional Office was invaluable in this process.
- **MEMA/FEMA Tech Team Collaboration-** In order to accelerate reviews and decisions from the MEMA and FEMA PA technical teams, MEMA established several new management reports, to track and age issues awaiting decision.

CONCLUSION

In the face of disaster comes a tremendous opportunity for a community to build back smarter, better, stronger, safer and more resilient. If nothing else I would like to leave you with two thoughts. One, every disaster begins and ends locally. Long after the state and federal government is gone, local officials and citizens, as well as their private sector partners are left to continue to put their communities back together. Every decision made should be what’s best for that community, not what’s best for the state or federal government. Second, we must not have communities live through the nightmares that a recovery can bring when those lessons have already been learned by someone else in another disaster. Using the lessons learned from these communities and states can change the outcome. Unfortunately we do not always take advantage of these lessons learned and we are destined to repeat the disaster cycle and experience the second disaster – recovery.

Mississippi Emergency Management Agency Testimony:
"A Review of the Preparedness, Response To and Recovery From
Hurricane Sandy"
December 4, 2012

In regards to Hurricane Sandy and how we move forward, I have two final recommendations. I realize that there are many issues facing the communities and states in the northeast. The consequences of every disaster are the same. The only differences are the size of the event, the population impacted, and the costs of recovery. As the northeast begins their road to recovery I would urge them to look at the lessons we have already learned, consider how these lessons can be applied to impact the outcome of their own recovery.

Second, I would recommend that this Committee look back at the recovery challenges of Katrina, the Midwest floods of 2008, the Mississippi River Flood of 2011, the tornadoes of Greensburg, Joplin, Smithville and Tuscaloosa, Hurricane Sandy, and hundreds of other disasters across the country and work with states and FEMA to find solutions that will expedite and facilitate the recovery process.

I appreciate the opportunity to appear before this committee and share my experiences disaster preparedness, response and recovery in Mississippi. Mr. Chairman, that concludes my testimony and I would be pleased to answer any questions that you or the committee may have.

Thank you.

CONGRESSIONAL TESTIMONY

December 4, 2012

before the

U.S. HOUSE OF REPRESENTATIVES

**COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE**

on

"CATASTROPHIC RECOVERY"

by

**KEVIN DAVIS
DIRECTOR**

GOVERNOR'S OFFICE



**HOMELAND SECURITY &
EMERGENCY PREPAREDNESS**

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1

2 **INTRODUCTION**

3 In the June 2012 issue of the *Kiplinger Newsletter*, Louisiana had the dubious
4 distinction of being named the "most disaster-prone state in the Union."

5 Louisiana is currently managing the recovery from nine (9) Presidentially declared
6 major disasters since Hurricanes Katrina and Rita struck in 2005. These nine (9) do
7 not include the BP Oil Spill in 2010, and numerous other emergency events that did
8 not meet the threshold of a *Stafford Act* event.

9 Hurricane Katrina in 2005, by any measurable standard, delivered catastrophic
10 damage to the State and the entire Gulf Coast. Hurricane Katrina has been
11 determined to be the most damaging disaster in FEMA history. Prior to Hurricane
12 Sandy, the damage from Hurricane Katrina was four (4) times greater than the next
13 largest disaster. Combined with Hurricane Rita, which struck Louisiana less than
14 thirty (30) days later, these two (2) events caused more damage than the remaining
15 top ten (10) disasters combined.

16 Hurricanes Gustav and Ike (which barely missed the top ten [10] list) struck
17 Louisiana three (3) years later. Louisiana is now recovering from the collective
18 damages of four (4) of the worst disasters in recorded history. The challenges keep



19 coming. Louisiana was hit again by Hurricane Isaac earlier this year, another major
20 storm that seriously impacted communities across the State.

21 As a result of those events, Louisiana has a lot of experience in catastrophic
22 recovery. We think of Louisiana as the largest living laboratory for recovery in the
23 Nation. You will hear recurring themes throughout our remarks: Size of the disaster
24 changes disaster-assistance delivery significantly; time is critical; the FEMA Public
25 Assistant (PA) program is complex and not conducive to a rapid recovery; policy and
26 processes are inconsistent in their implementation and inconsistent with *Stafford Act*
27 language and intent; capacity – organizational, funding and human resources – for
28 recovery from catastrophic events is limited at all levels, but especially at the
29 local level.

30 On behalf of the State of Louisiana, I would like to thank this Committee for the
31 opportunity to discuss our experiences with the disaster recovery programs made
32 possible through the *Robert T. Stafford Disaster Relief and Emergency Assistance*
33 *Act (Stafford Act)*. Thank you Chairman Mica, Ranking Member Rahall and
34 distinguished members of the Committee for taking an interest in, and providing
35 leadership, for this very vital discussion.

36 I am Kevin Davis, the Director of the Louisiana Governor's Office of Homeland
37 Security and Emergency Preparedness (GOHSEP), the lead agency in Louisiana for



38 recovery. I also serve as the Governor's Authorized Representative under the
39 *Stafford Act* relative to the open disaster declarations in Louisiana.

40 Unless one has personally experienced a catastrophic disaster, it is not possible to
41 fathom the depth and breadth of the devastation that can occur. For example, all 117
42 public school campuses in the City of New Orleans were damaged or destroyed
43 during Katrina and will require an estimated **\$2.6 billion** to restore. The Louisiana
44 Office of Facility Planning and Control (FP&C) is responsible for **\$1.4 billion** repairs
45 or replacements of thousands of disaster-damaged facilities including hospitals,
46 libraries and college campuses in Louisiana. More than 25,000 homes and business
47 were destroyed in a five (5)-parish area alone during Katrina. More than 1.4 million
48 Louisiana citizens were either temporarily or permanently displaced. Only one (1)
49 building remained standing in Cameron Parish in the wake of Hurricane Rita. The list
50 goes on . . .

51 Today, Louisiana is managing more than **\$14.5 billion** in current recovery grant
52 funds in the FEMA PA and Hazard Mitigation (HM) programs as a result of *Stafford*
53 *Act* events.

54 To put our recovery into context, the national average for FEMA PA funding per
55 major disaster is approximately **\$60 million**. The **\$14.5 billion** of disaster relief
56 funding Louisiana is managing represents more than **1,700** Applicants and **32,523**



57 projects that rely on FEMA PA supplemental support for repairs to
58 damaged property.

59 We believe as a result of our recent and ongoing catastrophic recovery experiences,
60 Louisiana has a unique perspective on what works, what does not work and what
61 can be done to improve the delivery of Federal disaster assistance. While any size
62 disaster is catastrophic to those directly impacted by it, what we have learned is that
63 there are significant differences in effectively delivering assistance to those
64 recovering from a disaster with smaller impacts and one of catastrophic proportions.
65 What works in a disaster with a smaller footprint, does not work as well, or
66 sometimes at all, in recovering from disasters with larger footprints. In a catastrophic
67 disaster resources in both the private and public sectors at the local, State and
68 Federal levels are stretched beyond capacity; cash flow to begin the recovery while
69 waiting on Federal assistance is nonexistent; demographic shifts are significant;
70 decision-making models are different; and risks are greater. For example, in the
71 smaller disaster a local government can "float" some level of cash flow by moving
72 monies around within their existing budgets, so that construction on damaged
73 facilities can begin while eligible work and scope alignments between the Applicant
74 and FEMA are being worked out. However, in a catastrophic event when revenue
75 streams are seriously compromised for long periods of time and damages are in the
76 billions of dollars, state and local governments do not have the resources to finance



77 the start of recovery and state laws prohibit beginning projects until all funding
78 sources are identified.

79 To say the current process for delivering the FEMA PA program delays catastrophic
80 recovery is an understatement. The fact is, there is no recovery until the issues in
81 Federal assistance delivery are resolved and as we will demonstrate, under the
82 current process it will take years to do it.

83 It is important to restore normalcy as quickly as possible after any disaster,
84 especially a catastrophic one. Delayed recoveries take an emotional toll on impacted
85 citizenry, increase the cost of temporary measures and administrative cost, and
86 reduce the chances of implementing mitigation measures before a next event.
87 Leadership at all levels of government is frustrated.

88 The challenges of timely identifying and agreeing on eligible work and getting
89 financing lined up quickly are not unique to Louisiana. What we have experienced,
90 others will experience anywhere in the Nation where a catastrophic event occurs.
91 New York, New Jersey and other impacted states will experience the same
92 challenges as they recover from Hurricane Sandy. We stand ready to offer our
93 knowledge and experience to assist them in any way that we can.

94 There are some who think the Louisiana recovery is taking too long. We could not
95 agree more. We hear there is "Katrina fatigue" in Washington. Believe me when I tell



96 you that no one is more fatigued than Louisiana citizens and leaders who, **seven (7)**
97 **plus years** after Katrina, are still struggling to get eligible work agreed to by FEMA.

98 There are others who believe Louisiana is constantly looking for a never-ending
99 handout and will never stop asking for money. The truth is: We are looking for full
100 recovery and that requires additional funding. Local funding has long since been
101 exhausted and there is still a need for assistance if we are to rebuild our schools, fire
102 stations, hospitals, jails and police stations.

103 As any community recovering from disaster, we are looking for funding for work that
104 is indisputably eligible for Federal assistance. The fact that we are looking for it more
105 than **seven (7) years** later is a powerful testament to the inefficiencies within the
106 bureaucracy of disaster assistance delivery.

107 Currently, there is considerable conversation among recovery professionals in both
108 the public and private sectors that Federal recovery assistance needs to be
109 rethought. We agree. That is why we are before you today. We want to share our
110 experiences with you as together we try to rebuild a recovery structure that is truly
111 responsive to those in greatest need.

112 Let me be quick to say: FEMA is a good partner. However, it is our experience that
113 the regulatory process and its implementation is – unnecessarily – highly
114 bureaucratic and cumbersome, seriously complicating a community's recovery from



115 a disastrous event. And, through inconsistent policy application and subjective
116 interpretations in the field, the process is not always true to the intent and specific
117 language found in the *Stafford Act*. Our experience has been that current FEMA
118 implementation of the *Stafford Act* does not allow for the type of recovery support
119 necessary when entire communities are devastated by catastrophic events.

120 What is interesting about the *Stafford Act* is that it provides the FEMA Administrator
121 a broad base of authority to support recovery after a disaster. That authority is
122 somewhat dampened by regulation, and regulation is then broadened or limited by
123 policy and subjective decision making by field staff. Decision making is often
124 inconsistent from project-to-project, Applicant-to-Applicant, disaster-to-disaster,
125 state-to-state, region-to-region, and even between FEMA Regions and
126 Headquarters (HQ).

127 The average FEMA disaster over the past twenty (20) years is about **\$60 million** in
128 funding under the FEMA PA program. The definition of a catastrophic event depends
129 on the community. A significant difference between a catastrophic and non-
130 catastrophic "average" or "garden-variety" disaster is that, in a non-catastrophic
131 event, the recovery is the repair of limited infrastructure where, in a catastrophic
132 disaster, the damages are major and may impact a large portion or perhaps all of a
133 community's essential public infrastructure. The recovery process from a
134 catastrophic event must include a holistic planning approach to address broad



135 community needs – including changing needs as a result of the disaster – as
136 opposed to simply point-repair/replacement of individual structures. It is the
137 difference between building back a fire station or the strategic plan for restoring an
138 entire fire department because all fire stations were damaged or destroyed. It is the
139 difference between building back a single school *building* or the restoration of an
140 entire school *system*. The *Stafford Act* must allow and the responsible Federal
141 agencies must be prepared to engage in the full spectrum of community planning
142 and capacity building that is necessary to fully recover a community that has been
143 totally devastated by a catastrophic event.

144 We know through the development of the newly released *National Disaster*
145 *Recovery Framework* (NDRF) and the creation of Recovery Support Functions
146 (RSFs) – one of which is the Community Planning and Capacity Building (CPCB)
147 RSF – that Federal leadership recognizes the need for a more holistic approach to
148 recovery from a catastrophic event. That is a start; much more is needed.

149 FEMA Administrator Craig Fugate once told us that he wanted his staff not to focus
150 on the piece of paper they are processing but instead to focus on how that piece of
151 paper contributes to the recovery of the school or the fire station or the hospital and
152 the community. The well-established bureaucratic processes that require a very
153 detailed assessment of damages and a painstaking determination of eligible work
154 inhibits FEMA PA staff to readily adopt Mr. Fugate's philosophy.



155 Consider . . .

- 156 • FEMA's current approach to implementation of *Stafford Act* recovery
157 programs, especially the FEMA PA program, is focused on a time-consuming,
158 micro-analysis of damaged facilities, door knob-by-door knob, desk-by-desk,
159 ceiling tile-by-ceiling tile. Eligibility is then evaluated for each of these items
160 on a proof-beyond-a-reasonable-doubt standard. This micro-approach needs
161 be replaced with a higher-level view of what it will take to recover a facility,
162 an Applicant or a community so that we **quickly** return to some sense
163 of normality.
- 164 • The complexity of the process is compounded in a long recovery by the
165 constant turnover of staff and the lack of qualified personnel. For example, a
166 decision is made by one FEMA employee who demobilizes, and the
167 replacement employee reverses the decision made by the first employee.
168 Additionally, we have FEMA individuals with some "experience" arguing
169 technical repair requirements with an Applicant's licensed professional
170 engineers and architects.
- 171 • Federal PA support is accessed through the development of a Project
172 Worksheet (PW), which is submitted by Applicants to FEMA for approval of
173 eligible scope of work (SOW), followed by the obligation of funding. Since
174 Hurricanes Katrina and Rita in 2005, Louisiana has averaged an increase in



175 obligated dollars of over **\$1.6 billion per year**. We still have **1,138** PWs that
176 need amending by FEMA to capture remaining eligible work.

177 The good news is that as additional eligible work is accepted by FEMA,
178 obligated dollar amounts increase, providing critical additional resources
179 needed by communities to advance their recoveries. The bad news is that we
180 are seven plus years into the recovery and are still struggling with FEMA to
181 gain consensus on eligible work. From a recovering Applicant's perspective,
182 they have had to wait **more than seven (7) years** to realize what funding is
183 available for their recovery. This matters because communities cannot begin
184 to rebuild facilities until funding is identified and in place.

185 • In late 2007, when total FEMA PA obligations had just reached **\$4 billion**, the
186 senior FEMA leadership told us that eligible damages in Louisiana under the
187 FEMA PA program would not exceed \$6 billion for Hurricanes Katrina and
188 Rita. Today, we are **over \$11 billion** in obligated funding. We continue to
189 struggle to have all eligible damages recognized by FEMA – estimating an
190 additional **\$1.5 billion** will be added once remaining eligible work is agreed
191 upon. What is surprising to those not directly involved, and agonizing to
192 recovering communities, is that more than **seven (7) years** after Hurricanes
193 Katrina and Rita we are *still* debating eligible work – square foot-by-
194 square foot.



195 • Counting amendments to the 32,527 projects identified in Louisiana's
196 recovery, there are **nearly 71,000** PWs currently in the system. In the last
197 twelve (12) months alone, there have been **2,710** PWs written or amended for
198 an increase in obligated dollars of over **\$600 million**.

199 The time it takes to agree on eligible work is too long and too costly. The paperwork
200 required to process through recovery is beyond burdensome; the process itself is
201 unmanageable and overwhelming – especially to communities that are already
202 overwhelmed by disaster. Policy issues that are meant to enhance an Applicant's
203 recovery instead are used to restrict the application of the *Stafford Act*. The
204 decisions of people with operational authority are too subjective and sometimes
205 reflect personal values not supported in statute or regulation.

206 The foregoing view of the *Stafford Act* recovery process is sufficient in and of itself to
207 conclude that, as it is currently managed, the Federal PA program does not and
208 cannot support recovery from a catastrophic event.

209 **EXAMPLES**

210 ***Charity Hospital***

211 To date, one of the most notable examples of the most contentious discussions
212 regarding recovery is the dispute between the State and FEMA over the eligible
213 damage to Charity Hospital in New Orleans.



214 Charity was an accredited and functioning Level 1 Trauma Center, medical patient
215 care/critical care facility and teaching hospital. It was severely damaged in the wake
216 of Hurricane Katrina.

217 To briefly recap their situation:

- 218 • FEMA and the State disagreed on the level of damage to Charity Hospital.
- 219 • After the storm, Louisiana engaged three (3) separate and independent
220 groups of highly qualified architectural, engineering, construction and
221 environmental consultants to perform in-depth assessments of Charity
222 Hospital disaster damages.
- 223 • The three (3) independent consultants unanimously concluded that the
224 estimated cost to repair Charity Hospital far exceeded fifty (50) percent of the
225 estimated cost to replace the hospital.
- 226 • Based on the determinations made by the independent professional
227 assessment consultants, the State argued that the facility was more than fifty
228 (50) percent damaged. Under FEMA PA program rules, a facility that is more
229 than fifty (50) percent damaged is eligible for full replacement (rather than
230 repair) and in this case should result in a newly constructed hospital.
- 231 • FEMA disagreed with all three (3) independent consultants. During the first
232 **three (3) years** of discussions, FEMA offered the State a fraction – **\$28**
233 **million** – of the cost to repair the facility to its former function and status.



- 234 • In 2009, Congress provided the State the ability to arbitrate eligibility
235 disputes when it passed the *American Recovery and Reinvestment Act of*
236 *2009* (ARRA).
 - 237 • The State continued to pursue what it believed to be adequate funding to
238 restore the hospital, resulting in FEMA increasing the available funding for
239 repair to approximately **\$150 million**. While a significant increase over
240 FEMA's original repair estimate of \$28 million, \$150 million was almost half of
241 what the experts assessed the repair cost to be.
 - 242 • After years of disagreement, Louisiana opted to bring the Charity Hospital
243 matter to the Arbitration Panel authorized by ARRA. In January 2010, the
244 panel ruled in Louisiana's favor, awarding a replacement hospital valued at
245 approximately **\$474 million**.
- 246 This decision, which was almost **five (5) years** in the making, has allowed the State
247 to *finally* move forward with plans to partner with the Veterans Administration (VA),
248 to establish a world-class academic medical center providing high-quality health care
249 and medical training to our region. Construction started on the new facility in New
250 Orleans in February of this year, more than **seven (7) years** after the disaster.

251 ***Recovery School District***

- 252 In another high-profile recovery project, the **Recovery School District (RSD)** in
253 New Orleans had 117 schools campuses damaged by Hurricane Katrina. The



254 Louisiana Department of Education developed a master plan for an entirely new
255 school system that accounted for fifty (50) plus years of population shift due to
256 normal demographic trending and the dramatic population migration in the aftermath
257 of Hurricane Katrina.

258 The plan for the new school system configuration presented endless challenges to
259 the conventional interpretation of *Stafford Act* policy. Existing policy is restrictive,
260 discouraging a "smart" recovery that addresses current community needs and
261 impedes the highest and best use of recovery resources.

262 • After several years of meeting with FEMA to find a solution that would support
263 the changed requirements of the City's school system, Louisiana turned to
264 Congress. Congress passed the *Consolidated Appropriations Act of 2008*,
265 which provided the school system critical relief. The legislation eliminated the
266 Alternate Project funding penalty under the FEMA PA program and better
267 facilitated the school system to aggregate its combined eligibility into a single
268 reconstruction fund from which to implement its master plan without negative
269 funding consequences.

270 • Even with this legislative support, the school system and FEMA spent **32**
271 **months** resolving eligible scope of work for the 117 damaged school
272 campuses by continuing to use a board-by-board, desk-by-desk approach to
273 resolve cost issues.



- 274 • Five (5) years after the dispute arose, it became clear that the micro-analysis
275 approach would continue beyond any definition of reasonable time. FEMA
276 agreed to a more global approach to evaluating eligible scope and cost – an
277 approach that was reviewed and approved by both FEMA and the Office of
278 Management and Budget (OMB).
- 279 • The legislative relief and the welcomed innovation in applying the *Stafford Act*
280 process allowed for a single PW, which could be used by the school district to
281 recover a "system" that meets its current needs and demographics as
282 opposed to simply recovering individual buildings, one at a time. In the
283 process, it took FEMA almost **six (6) years** to move eligible damages from
284 less than **\$300 million** to the needed **\$2.6 billion** for the recovery of the
285 school system.
- 286 The result of this unique approach for the RSD recovery has provided the system
287 with the funding for which it is eligible and desperately needs so that it can finally
288 and aggressively pursue recovery in a smart, efficient and more resilient manner.
289 RSD has been extraordinarily successful and should be a model for other recovery
290 projects. Identifying this process immediately after the disaster would have saved
291 countless man hours and expenses and allowed for a much quicker return of an
292 essential component – the school system – of a community's recovery.



293 ***City of New Orleans (CNO)***

294 A distinguishing characteristic of a catastrophic event is the magnitude of damage to
295 a given community and its capacity to arrange not only the funding needed to
296 recover but the human capital needed to organize, plan, manage, design and
297 construct the necessary repairs. In a non-catastrophic disaster a community suffers
298 damage to some infrastructure – one (1), two (2) or maybe a half dozen buildings or
299 facilities. In most cases, communities can simultaneously proceed with
300 repairing/reconstructing that infrastructure using other sources of temporary funding.
301 For example, a governing authority might redirect its annual capital outlay funding
302 budgeted for other non-critical projects planned prior to the disaster. When
303 governing authority eventually comes to an agreement with FEMA on eligible work
304 and funding, the redirected funding can then be replaced.

305 In a catastrophic event, the damage to public infrastructure is so large that the
306 community does not have the ability to cash flow the repair/reconstruction of
307 possibly hundreds and even thousands of projects, so it must wait on a full-funding
308 agreement with FEMA before it can begin those repair/reconstruction projects. For
309 example, the City of New Orleans (City) has **1,089 infrastructure projects** to repair,
310 rebuild or replace with an estimated value of **\$1.4 billion** as a result of damage
311 caused by Hurricane Katrina.



312 A year after Hurricane Katrina, FEMA and the City had only agreed to **804 projects**
313 with an estimated value of **\$302 million**. At that time, the City did not have the
314 funding from any source to cover the **\$1.1 billion** shortfall. Legally, or practically for
315 that matter, the City cannot contract for repair/reconstruction unless it has all funding
316 identified and available. Today, **seven (7) years** later, the City is still pressing FEMA
317 for agreement on all remaining eligible damage.

318 ***The Youth Study Center***

319 To more visually illustrate the challenges within the current FEMA PA delivery
320 system and to create an understanding of why communities in Louisiana are still
321 struggling with recovery, we have attached an exhibit that depicts an actual timeline
322 (Exhibit A) of a specific project. The exhibit chronicles PW development over time for
323 *The Youth Study Center* in New Orleans.

- 324 • *The Youth Study Center* had significant wind damage as a result of Hurricane
325 Katrina and had floodwaters in its interior for more than three (3) weeks. From
326 the City's perspective, supported by an analysis from its professional
327 architects and engineers, the building was over fifty (50) percent damaged,
328 making it eligible for replacement under the provisions of the *Stafford Act*.
- 329 • FEMA's initial assessment in October of 2006 determined the building was
330 not eligible for replacement and the damage repair estimate was **\$1.6 million**.



- 331 • On March 2, 2012, six (6) years and six (6) months after Hurricane Katrina
 332 struck, FEMA wrote the eighth amendment to the original PW, authorizing a
 333 replacement cost of **\$27,171,163** – a cost **17 times** more than the original
 334 FEMA estimate. FEMA, the State and the City met more than **182 times** on
 335 this one project over seven (7) years to reach this point. When the eighth
 336 amendment was issued, the City was still of the position that the project was
 337 deficient in eligible scope. Nine (9) months later, FEMA and the City are still in
 338 disagreement over **\$1.2 million of eligible work**, and hope to have
 339 agreement by the end of this year.
- 340 • Considering the normal design/bid/construction process, if all goes well, it is
 341 anticipated that the City will have a replacement for *The Youth Study Center*
 342 in 2016, **eleven (11) years** after Hurricane Katrina destroyed the building.
- 343 *The Youth Study Center* story is not an anomaly. The challenge the City faces on
 344 this project can be multiplied by most of the other **1,000 projects** within the City of
 345 New Orleans. A near-identical timeline could be prepared for hundreds, if not
 346 thousands, of similar projects throughout Louisiana. Just for Hurricanes Katrina and
 347 Rita over **2,000 projects** have already doubled in funding; more than **450** have
 348 grown by a **factor of ten (10)**, and **1,302** project grants have been amended more
 349 than **five (5) times**. Clearly, there is a need for a recovery program that results in a
 350 more accurate and timely identification of eligible work.



351 ***FEMA Public Assistance (PA) Grant Program***

352 The nature of the Federal PA grant program is such that each of the thousands of
353 damaged facilities require a detailed, itemized assessment to determine what was
354 damaged by the storms and what is a reasonable cost to repair those damages and
355 restore a facility's pre-disaster function. The contents of each damaged facility have
356 to be assessed desk-by-desk, chair-by-chair and lamp-by-lamp. Individual damage
357 and cost decisions are required to determine FEMA's level of participation in the
358 recovery of these projects.

359 Each FEMA eligibility decision is subject to scrutiny and challenge by the Applicant.
360 In a catastrophic event there are literally millions of these decisions, each requiring
361 review and analysis, and with such a heavy reliance on Federal funding, Applicants
362 have to challenge each "no" decision. The process is excruciatingly slow and painful
363 for the Applicants, who are under a continuous barrage of demands from the public
364 for the government to restore basic services. Further compounding the problem,
365 there is generally not enough trained staff on the FEMA, State or Applicant side to
366 accomplish the mission in a reasonable time frame. When commenting on the
367 process, one of the Federal Coordinating Officers (FCOs) working in the aftermath of
368 Hurricane Katrina was quoted as saying, " . . .using the Stafford Act in the wake of
369 Hurricane Katrina is like bringing a donkey to the Kentucky Derby."



370 It is evident to FEMA grant recipients that FEMA policy regarding PA grants evolved
371 within the context of non-catastrophic recovery experiences. We believe, as do
372 countless other recovery professionals, the *Stafford Act* and regulation should be
373 reevaluated in consideration of the challenges facing catastrophic recovery
374 measures. It is also clear that FEMA policy has been influenced by various audits
375 conducted by the U.S. Department of Homeland Security (DHS) Office of Inspector
376 General (OIG), which have taken an overly restrictive interpretation of the *Stafford*
377 *Act*, FEMA regulation and disaster-response policy. The interpretation of the *Stafford*
378 *Act* and regulation belongs to FEMA and not DHS/OIG.

379 **RECOMMENDATIONS**

380 Over the years, Louisiana has presented FEMA with a number of requests for policy
381 changes that allow more flexibility and recovery support for a catastrophic recovery
382 program. Louisiana submits that the changes requested are not precedent setting or
383 contrary to law or regulation, and would eliminate unnecessary delays in recovery,
384 as well as reduce the overall cost of the recovery. Among those are
385 recommendations regarding Direct Administrative Costs (DAC); Consolidated
386 Alternate Projects (CAP) and End Game – a strategy to significantly accelerate
387 Katrina projects to closeout; Insurance Reductions (5903 Reductions and
388 subsequent-event deductions); and Alternate Dispute Resolution. Except for
389 legislative relief, FEMA has been unwilling to implement any of these proposals.



390 ***Direct Administrative Cost (DAC)***

391 In 2009, FEMA agreed that eligible costs to an Applicant under the FEMA PA
392 program are those costs of the Applicant directly related to the development of the
393 Project Worksheet (PW) and the direct management of the project thereafter. Those
394 identified expenses are referred to as Direct Administrative Costs (DAC).

395 DAC is an essential element in providing an Applicant the necessary resources to
396 effectively engage in the FEMA PA process to ensure project worksheets adequately
397 identify project requirements and the projects themselves are properly executed. For
398 three (3) years, the State worked with FEMA to develop the concept and the
399 documentation necessary to support the claim for reimbursement of DAC by the
400 Applicant. In that period, several pilot PWs were written and funds disbursed to
401 support the Applicant's activity. However, in 2012 FEMA decided that DAC cannot
402 be provided to Katrina/Rita activities, placing in jeopardy funds that have already
403 been disbursed to Applicants.

404 FEMA has recognized the need for supporting the unique work required to facilitate
405 all PA-funded projects. For Katrina/Rita projects, FEMA has authorized a substitute
406 provision – the *Katrina/Rita Closeout Incentive* – to address this unique work. The
407 *Closeout Incentive* includes three (3) restrictive provisions.

- 408 • FEMA has artificially limited the amount of funding that an Applicant can
409 receive for DAC activities to three (3) percent of project costs.



- 410 • The incentivized funding is limited to projects that are completed by August
411 29, 2013, an arbitrary and unrealistic deadline.
- 412 • The level of documentation required to support a reimbursement has been
413 redefined and requires documentation that is unlikely to exist.
- 414 FEMA's rationale for making this change is that they do not have authority for DAC
415 for Katrina/Rita activities except under the language of Section 638(f) of the *Post-*
416 *Katrina Emergency Management Reform Act* (PKEMRA). This provision directs the
417 FEMA Administrator to provide an incentive for closeout in the FEMA PA program.
- 418 Although we applaud FEMA's intention to attempt to provide Applicants necessary
419 resources to complete projects and close PWs, the implementation of that intent
420 is misguided. The overly restrictive provisions render the *Closeout Incentive* of little
421 to no value, and therefore FEMA has not met the incentive requirement called for
422 by PKEMRA.
- 423 Further and importantly, the three (3) percent cap on expenses is artificial and will
424 not fully support the needs of some Applicants. Prior to the change in FEMA policy,
425 the State and FEMA piloted several Applicants and after review of expenses
426 incurred, obligated PWs for DAC at the five (5) percent to six (6) percent level,
427 significantly more than the three (3) percent now allowed in the *Closeout Incentive*.



428 The excessive documentation requirements imposed in FEMA's new DAC policy
429 seven (7) years into the recovery simply obviates any Applicant's ability to take
430 advantage of this needed resource. Since the requirement did not exist until
431 recently, Applicants have not kept records to the specificity required by the
432 new policy.

433 Finally, the DAC deadline is proposed as a closeout "incentive." However, as
434 illustrated by the exhibit detailing *The Youth Study Center* in New Orleans, the
435 length of time it takes to develop most PWs has positioned Applicants such that it is
436 highly unlikely they will be able to finish projects by the deadline.

437 The State's analysis is that, in fact, the structure of the new policy, including the
438 artificially imposed deadline, is not an "incentive" to closeout. By our calculations,
439 **less than three (3) percent** of 23,000 projects resulting from Hurricanes Katrina
440 and Rita will be able to take advantage of this critical resource. In fact, without this
441 resource many Applicants will struggle with providing the activities that should be
442 covered by DAC, and, as such, the recovery process will be significantly delayed
443 and in some cases will stop.

444 ***Consolidated Alternate Projects (CAP)***

445 Louisiana has proposed to allow recovering Applicants to "consolidate" the funds
446 from a number of projects that no longer serve to efficiently support their mission



447 and apply those funds to reconfigure their facilities for a "smarter" recovery better
448 suited to meet current needs.

449 Using a holistic planning process rather than a building-by-building recovery
450 approach, the *Consolidated Alternate Project* (CAP) concept is intended to reduce
451 cost and speed recovery by:

- 452 • Decreasing the administrative burden of developing and writing complex
453 (sometimes byzantine) "crosswalk" PWs that, absent the CAP tool, must
454 match eligible work and costs from existing structures to newly configured
455 campuses and facilities. (See Exhibit B depicting current scope and cost alignment and
456 Exhibit C that depicts the State's CAP proposal.)
- 457 • Tracking costs and resolving complex eligibility questions during construction.
- 458 • Simplifying and expediting closeout.
- 459 • Minimizing Applicant confusion and frustration.

460 Because the CAP approach is an Alternate Project model, the CAP proposal would
461 be further enhanced with a legislative fix to eliminate the current funding penalty (ten
462 [10] to twenty-five [25] percent) for Alternate Projects.

463 The similar related proposal that GOHSEP has advanced is labeled the End Game.
464 The End Game meets a FEMA HQ request to find a quick resolution to the
465 remaining plus or minus 1,138 PWs still categorized by FEMA and/or GOHSEP as



466 unresolved. The proposal suggests consolidating all projects and all categories of
467 work into a single fund to finance an Applicant's remaining recovery needs. The
468 proposal is clear that such a consolidation of projects and funds might require
469 legislation to address the ten (10) to twenty-five percent (25) percent Alternate
470 Project penalty to cover projects other than schools, police and justice facilities
471 already addressed in recent legislation.

472 The End Game proposal seemed to intrigue FEMA initially but has since lost its
473 luster and is no longer being discussed as a viable solution for resolving the 1,138
474 unresolved PWs noted above. The value of the End Game approach is a
475 streamlined process that will save FEMA considerable administrative and operating
476 expenses and produce a more rapid, effective recovery.

477 The benefit of either of these processes – CAP or the End Game – is that each
478 allows a community to engage in a holistic planned recovery without the artificial
479 programmatic boundaries imposed by the strictest interpretation of current Federal
480 disaster recovery policy. For a community that has been completely devastated by a
481 disastrous event, it makes little sense to repair/replace every school, every fire
482 station, every governmental building if those replacements/repairs do not support
483 community recovery needs or the changed needs of a community as a result of a
484 catastrophic event. Through innovative recovery tools like CAP and the End



485 Game, we have an opportunity to bring back communities in a smarter, more
486 resilient fashion.

487 We have seen the success of this approach with the New Orleans Recovery School
488 District (RSD). We believe that FEMA has discretion under the *Stafford Act* to
489 provide policy supporting this approach for the entire Louisiana recovery effort, and
490 beyond, providing strategic and appropriate new recovery tools to communities.

491 ***Insurance: 5903 Reductions And Subsequent-Event Deductions***

492 It is Congress' intent under the *Stafford Act*

493 " . . . to provide an orderly and continuing means of assistance by the Federal
494 Government to State and local governments in carrying out their
495 responsibilities to alleviate the suffering and damage which result from such
496 disasters by . . . (4) encouraging individuals, States, and local governments to
497 protect themselves by obtaining insurance coverage to supplement or replace
498 governmental assistance . . . "

499 The regulations and policy that implement Congressional intent "to encourage
500 protection by obtaining insurance" may have at one time been appropriate and
501 consistent with the intent of the *Stafford Act*. However, these policies are no longer
502 consistent with the current insurance market and in our view, and that stated by the



503 insurance industry, **do not provide proper incentives for sound risk-**
504 **management decisions.**

505 As a result of the rigorous work and research required to administer the thousands
506 of Katrina and Rita recovery grants, Louisiana has identified a number of
507 unanticipated and unintended consequences of either inartfully drafted or incorrectly
508 interpreted regulation and subsequent policy. There are two (2) implementation
509 policies of particular concern: (1) FEMA PA funding penalties when Applicants
510 use blanket policies; and (2) how deductibles are handled in second and
511 subsequent events.

512 **Blanket Policies: 5903 Reductions**

513 Nearly every Applicant in Louisiana insures its facilities using what is commonly
514 referred to as a blanket policy. Such a policy provides for a total maximum
515 aggregate loss limit but does not provide full coverage for every Applicant-owned
516 facility. The theory is that there is a low probability that every facility will be damaged
517 in a single event. The private sector follows the same risk-management philosophy,
518 as it is simply not cost-effective to insure every facility to its maximum value. Current
519 FEMA policy and/or regulation (or interpretation thereof) penalize Applicants by
520 reducing – unfairly in our view – recovery funding when blanket policies are chosen.
521 This penalty is known by its accounting code: 5903 Reduction.



522 We are already seeing the impacts of FEMA's blanket insurance-penalty policy in
523 reduced recovery funding to Louisiana FEMA PA grant recipients in post-
524 Katrina/Rita disasters. The penalty is estimated to reduce future recovery funding in
525 Louisiana by **\$4 billion** in the next Katrina-like event.

526 This penalty does not apply to facilities that are covered by individual policies, but
527 coverage by individual policies limits the breadth of facilities that can be protected
528 within a community's operating budget. Applicants have the perverse incentive to
529 reallocate their limited insurance resources to purchase individual coverage on
530 facilities to maximize their Federal assistance in a declared event with the
531 unfortunate consequence of increasing their risk in a non-declared event. We
532 believe FEMA's interpretation of its own regulations does not adequately account for
533 standards within the insurance industry.

534 Deductibles

535 FEMA's treatment of insurance **deductibles** also poses a serious challenge to
536 recovering communities.

537 Prior to 2009, insurance deductibles were considered an insurable loss and an
538 eligible reimbursable expense. That position is consistent with both the *Stafford Act*
539 and regulation. In 2009 FEMA changed its policy such that insurance deductibles
540 are only eligible for the first FEMA Public Assistance (PA) claim on any given facility.
541 In subsequent declared events, facilities that have received FEMA PA funding in a



542 previous similar event are denied eligibility for deductibles. The change in policy is in
543 direct conflict with regulation. Regulation calls for a reduction of "... *the eligible*
544 *costs by the amount of insurance proceeds which the grantee receives . . .*" FEMA's
545 new policy is a misapplication of the word "proceeds" in the regulation in that a
546 deductible is certainly not a "proceed" to the grantee. This has the untenable effect
547 of reducing critical recovery funding by an estimated **\$240 million** to the State of
548 Louisiana in the next Katrina-like event. Reduced recovery funding as result of lost
549 deductibles will rise exponentially in subsequent major disasters.

550 Insurance deductibles are a **requirement** of the insurance industry. The fact that
551 they continue to rise is inescapable. Most Applicants are faced with a take-it or
552 leave-it deductible amount.

553 Reducing funding by \$240 million (and surely more) in future disaster assistance will
554 only exacerbate and slow recovery and may bankrupt more vulnerable Applicants.

555 These insurance challenges are not exclusive to Louisiana. Louisiana is just the first
556 to experience the harsh impacts of these policies because of the number of facilities
557 that were damaged by Hurricanes Katrina and Rita and then the quick follow up of
558 Hurricanes Gustav and Ike – three (3) years later – and recently now Hurricane
559 Isaac. Every Katrina/Rita damaged facility (approximately **24,000**) will be **denied**
560 **critical recovery funding (through the loss of subsequent-event insurance**
561 **deductibles) for every storm thereafter.** Other vulnerable states such as Texas,



562 Alabama, Mississippi, Florida, and now New York, New Jersey and other Sandy-
563 impacted states will soon be surprised by the effects of these policies.

564 The deductibles issue, along with the 5903 insurance penalty are having immediate
565 and substantial impacts on the Louisiana recovery. In addition to slowing the
566 recovery, the application of FEMA's position on both policy decisions creates an
567 environment that necessitates **perilous risk-management decisions** and ultimately
568 results in higher overall cost.

569 The State has offered FEMA specific recommendations for interim solutions to these
570 insurance challenges. The long-term solutions are far more complex and will require
571 collaboration with the insurance industry.

572 ***Arbitration Option***

573 Since February 17, 2009, the effective date of the arbitration option for Hurricanes
574 Katrina and Rita established under the *American Recovery and Reinvestment Act of*
575 *2009* (ARRA), twenty-six (26) arbitration cases have been filed by thirteen (13)
576 separate Applicants. Eighteen (18) of those cases had successful outcomes for the
577 Applicant, either through settlement with FEMA or by ruling of the Civilian Board of
578 Contract Appeals (CBCA). Those outcomes resulted in an additional **\$797 million** in
579 obligated recovery assistance funding to the Applicants represented in those cases.



580 In only two (2) cases has the CBCA denied requested relief, and the remaining six
581 (6) cases are still pending. Several new requests for arbitration are currently being
582 prepared by Applicants for submission to the CBCA.

583 From the State's perspective, the ARRA arbitration option has been exceptionally
584 successful. Specifically, it has accelerated the dispute-resolution process as it was
585 designed to do and has leveled the playing field for the involved parties.

586 FEMA's current and co-existing two (2)-level administrative appeals process utilizes
587 FEMA management personnel to make the final determinations regarding disputed
588 FEMA decisions at each level of appeal (Region and HQ), with Region in each
589 instance providing an analysis of the dispute. This appeals mechanism allows FEMA
590 local personnel to potentially influence first-appeal Region determinations, and in
591 each instance those making first-appeal Region determinations to actively influence
592 second-appeal HQ determinations. Whether such influence is actual or merely
593 possible, a system, which either permits such or a perception of such, is
594 undesirable. The ARRA arbitration option eliminates this perception and the State
595 believes this has not only provided a fully fair and impartial hearing process, but has
596 further influenced both Applicants and FEMA to resolve disagreements relating to
597 significant projects during project formulation.

598 The State of Louisiana recommends that Congress consider making the existing
599 arbitration option or similar form of independent dispute-resolution alternative



600 available for all current and future disasters. Additionally, we recommend amending
601 the current FEMA appeals process to have a first appeal conducted Regionally
602 before an administrative law judge (ALJ) in a manner resembling the trial phase of
603 civil litigation, followed, if necessary, by an appeal to the agency head. Because of
604 the clearly positive outcome resulting from the use of the independent CBCA panel
605 under the ARRA arbitration process, the State believes the public would be
606 significantly better served by the inclusion of independent review within any
607 mechanism for challenging agency decisions.

608 Additional Recommendations for ARRA Arbitration Alternative

609 If the ARRA arbitration alternative has any shortcoming it is found in that section of
610 the regulation, which states:

611 *" . . . The expenses for each party, including attorney's fees, representative*
612 *fees, copying costs, costs associated with attending any hearing, or any other*
613 *fees not listed in this paragraph will be paid by the party incurring such costs."*

614 (44 CFR 206.209(l))

615 It is the State's belief that this limitation forecloses many small or budgetary-
616 constrained Applicants from pursuing valid arbitration claims. Further, the State's
617 observation has been that unlike the FEMA appeals processes, the ARRA arbitration
618 option is both sophisticated and time sensitive for which an expectation of success



619 typically requires the use of legal counsel and/or other consultants. The current
620 process requires that Applicants assume the cost of those services whether they
621 prevail or lose their case. Applicants whose operating budgets are already pressed
622 to the limit can often not afford to incur the costs associated with arbitration, making
623 this important dispute-resolution tool unavailable to them.

624 Conversely, FEMA is already funded to incur these costs. Thus, the defense of
625 an arbitration case would not normally impose any additional financial burden
626 upon FEMA.

627 To make the arbitration process more reasonably available to small Applicants, the
628 State suggests that consideration be given to modifying 44 CFR 206.209(l) to allow
629 reasonable costs, as determined by the CBCA panel, to be awarded to an Applicant,
630 which prevails in whole or part. If the Applicant was unsuccessful in its claim, it
631 would not be awarded costs.

632 Awarding reasonable costs to a prevailing Applicant ensures that an Applicant that
633 has confidence in its claim could pursue such with an expectation that there would
634 be no funding shortfall if it prevailed. Frivolous claims, on the other hand, would
635 continue to be unrewarded and therefore likely avoided.

636 Finally, it is suggested that the statutory threshold for arbitration of \$500,000 is too
637 high. Many Applicants, especially the smaller governmental entities or private



- 638 nonprofits, have significant issues with projects of lesser value but are denied
- 639 equitable recourse to independent third-party review.



640

641 **CONCLUSION**

642 The challenges to successful catastrophic recovery are many.

- 643 • States and communities lack capacity. Whether it is the availability of human
644 capital or funding, communities facing recovery from catastrophic events lack
645 critical resources.
- 646 • FEMA policies and processes are not supportive of catastrophic events.
- 647 • FEMA policies are inconsistent with the language and intent of the *Stafford*
648 *Act* and inconsistent in implementation from disaster-to-disaster, state-to-
649 state, region-to-region and between FEMA Regions and HQ; and are highly
650 bureaucratic and often subjective.
- 651 • Applicants are confused, critical funding is held up and in some cases
652 causing recovery to literally grind to a halt.
- 653 • The availability of Direct Administrative Costs (DAC) reimbursements so that
654 cash-strapped communities have the resources they need to manage their
655 recovery.
- 656 • Adding the Consolidated Alternate Project (CAP) and End Game tools to the
657 recovery toolbox so that those receiving FEMA PA funding can use those
658 resources for "smarter" recoveries and more resilient communities. An



659 important by-product of the availability of both of these tools is that they can
660 significantly expedite recovery.

661 • Eliminating the 5903 Reductions and ensuring that subsequent-event
662 deductibles are reimbursed. With regard to the latter, the *Stafford Act* is clear
663 in that Federal assistance should be reduced by insurance "proceeds;" by any
664 definition, a deductible is not a proceed. With regard to 5903 Reductions, it
665 simply makes no sense and is in no one's best interest – the Applicant, the
666 State, FEMA or the U.S. taxpayer – to incentivize communities to make risk-
667 management decisions that result in less insurance coverage and higher risk
668 to the Applicant.

669 • Make arbitration available to all FEMA PA Applicants. Arbitration accelerates
670 the dispute-resolution process and ensures a fair and objective hearing of the
671 issues.

672 Recovery is hard work. It should not be made harder. Working together, we can
673 resolve the barriers.

674 Thank you for the opportunity to come before this Committee. We eagerly look
675 forward to your recommendations.





EXHIBITS



Exhibit A
(Full size will be provided at the hearing)

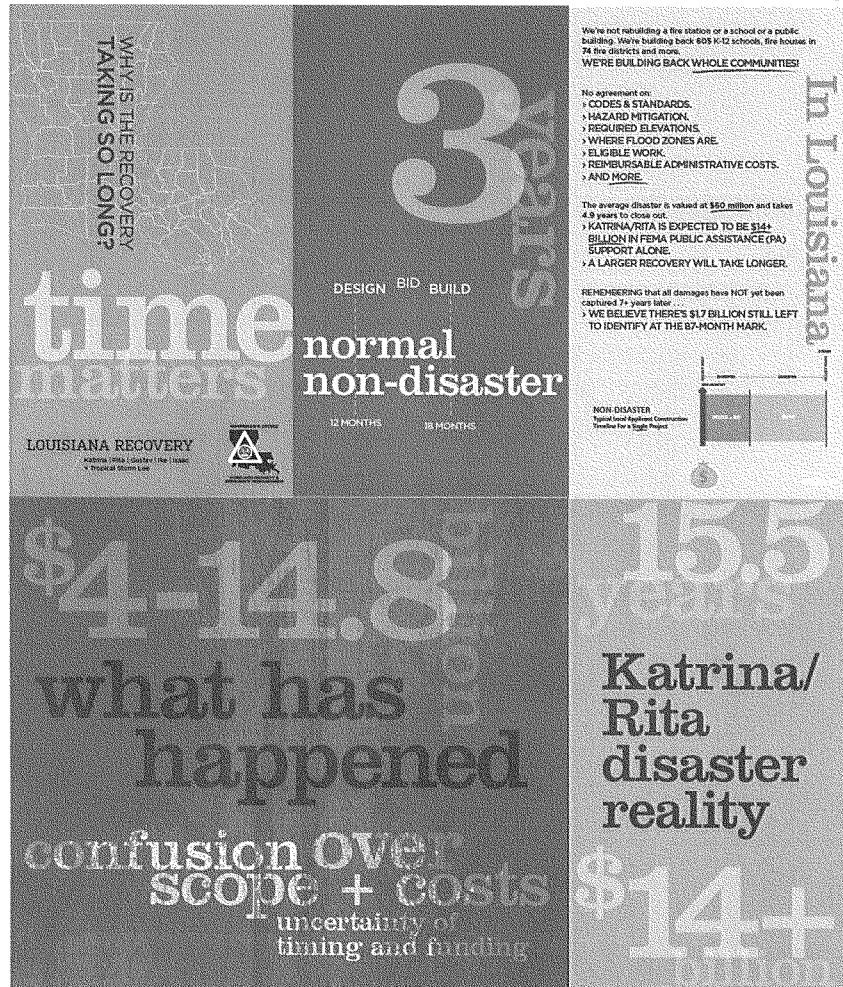
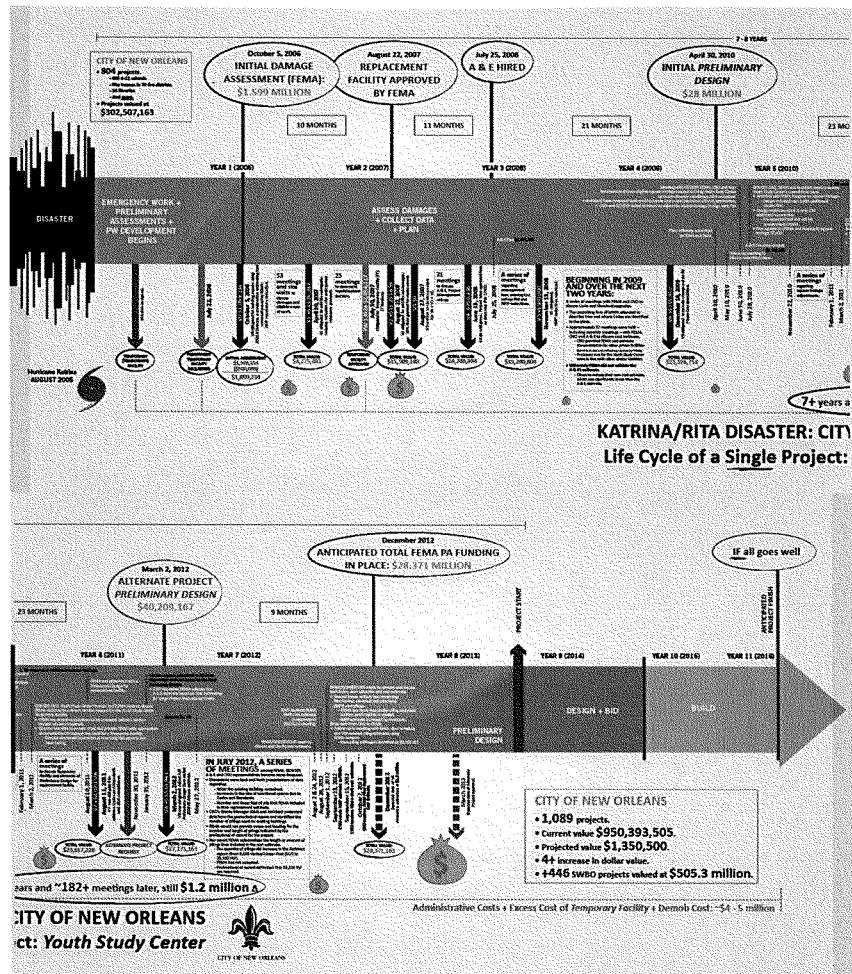


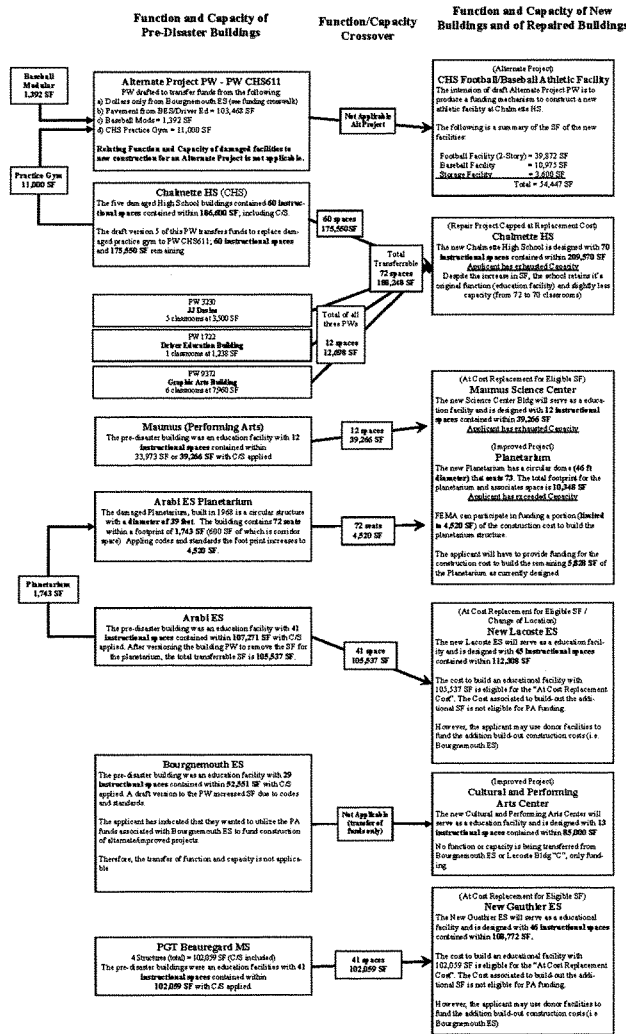
Exhibit A
(Full size will be provided at the hearing)





FUNDING AND CAPACITY CROSSWALK FOR ST. BERNARD PARISH SCHOOL BOARD (SBPSB)

July 19, 2011

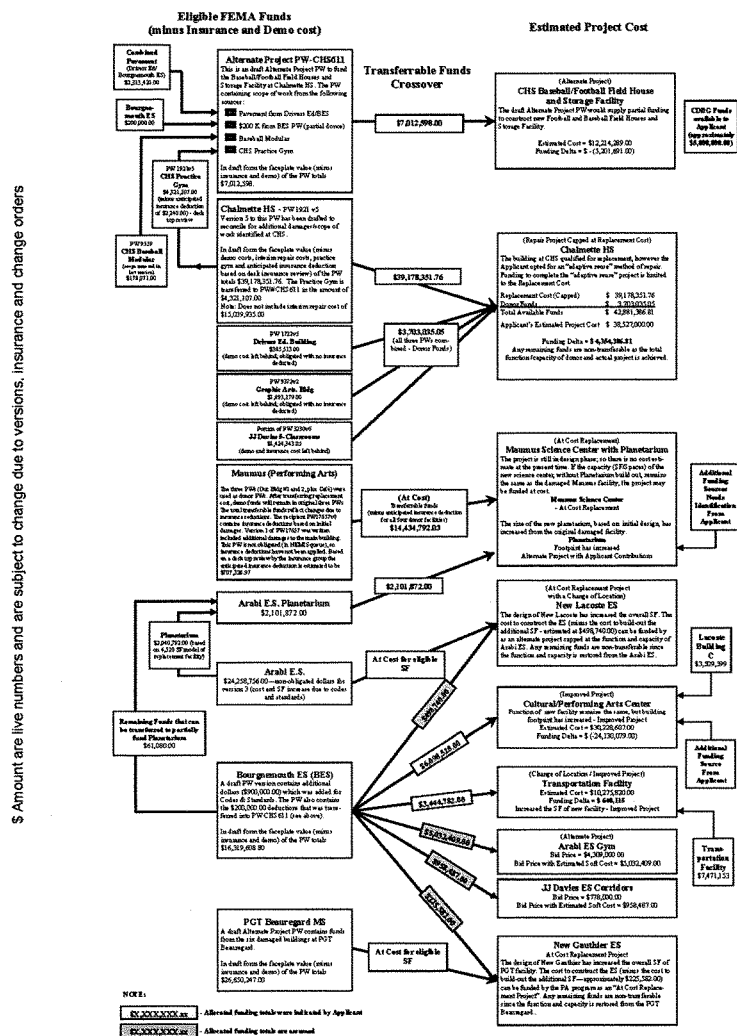


Note: C/G—Disaster Codes and Standards

DISCLAIMER: This document is prepared to address a specific request for information regarding the FEMA Public Assistance program for FEMA-1603/1607-DP-LA. The information herein represents the status as of the date of this document, does not represent Public Assistance policy, and should not be used as a decision making tool.



July 19, 2011



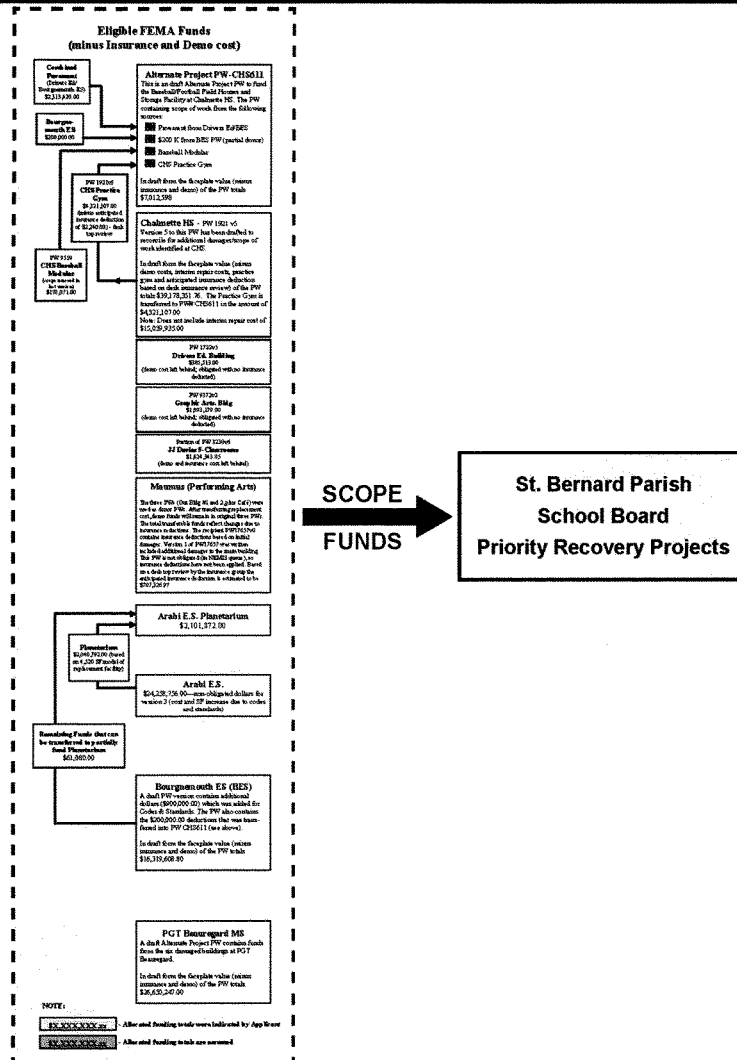
DISCLAIMER: This document is prepared to address a specific request for information regarding the FEMA Public Assistance program for FEMA-1609/1609-DR-IA. The information herein represents the status as of the date of this document, does not represent Public Assistance policy, and should not be used as a decision making tool.



**FUNDING CROSSWALK FOR
ST. BERNARD PARISH SCHOOL BOARD (SBPSB)
July 19, 2011**

July 19, 2011

\$ Amount are live numbers and are subject to change due to versions, insurance and change orders



DISCLAIMER: This document is prepared to address a specific request for information regarding the FEMA Public Assistance program for FEMA-1609/1609-DE-1A. The information herein represents the status as of the date of this document, does not represent Public Assistance policy, and should not be used as a decision making tool.

Statement of
David J. Popoff
Chief Emergency Management Coordinator
Galveston County Office of Emergency Management



**"A Review of the Preparedness, Response To and
Recovery From Hurricane Sandy"**

Before the
Committee on Transportation and Infrastructure
U.S. House of Representatives

Washington, D.C.
December 4th, 2012

Chairman Mica, Ranking Member Rahall, and distinguished members of the Committee, I am honored with the opportunity to provide testimony on this important topic. My name is David Popoff. I am the Chief Emergency Management Coordinator of Galveston County, Texas.

I, along with my small, highly-skilled staff, am responsible for overseeing disaster preparedness, planning, response and recovery for all of the unincorporated areas and the eight joint-resolution cities in Galveston County. I report directly to the Senior Elected Official of the County Judge Mark Henry.

First of all, I would like to thank the committee for your strong support of the Emergency Management Performance Grant Program which is critical for building emergency management capacity at the local and state level. I would also like to thank you for your critical role in the Post-Katrina Emergency Management Reform Act to strengthen FEMA, our vital federal partner.

As I begin my thirty-second year as a professional emergency responder and manager, I remember my first hurricane response in 1983. Hurricane Alicia struck Galveston County in the early morning hours of late August. This storm caused \$2.6 billion in damages and killed twenty-one people. It was the worst storm in our area since Hurricane Carla in 1961 and was the very first billion dollar tropical cyclone. It was also the first storm wherein the National Weather Service used probability forecasts.

As a District and State Coordinator at the Texas Division of Emergency Management, I have responded to every tropical storm and hurricane that has struck the Texas Gulf Coast since 2007. My various positions in emergency response and management have allowed me the opportunity to experience first-hand the devastation that can beset a community. Since my disaster response experience has not been limited to only Texas, I have a wide perspective on how different affected communities (and states) have responded to, and recovered from, large scale disasters.

Galveston County is that block of land wedged between the southern border of Houston/Harris County and the Gulf of Mexico. The county has a population of 300,000 and this population doubles during tourist season and the most active part of hurricane season. Most residents live on a land mass of 873 square miles and it is protected by two populated barrier islands.

Galveston County has a large industrial base of primarily petrochemical companies; it is transected by numerous rail lines and pipelines; and it is home to a thriving aquaculture industry.

Galveston County is located on the plains of the upper Texas Gulf Coast. The county is bounded on the northeast by Galveston Bay and on the northwest Clear Creek and Clear Lake. Much of the county covers Galveston Bay and this bounded to the south by the

famous Galveston Seawall and beaches on the Gulf of Mexico. The entrance to the ports of Galveston, Texas City and Houston divide the barrier islands of Galveston and Bolivar.

As people from throughout the state and country know, Galveston County is a great place to live, to work and to play.

Galveston County also has the unfortunate distinction of being the location of two of this nation's worst disasters.

In 1900, over 6,000 residents were killed. Most of Galveston Island was destroyed. At that time, the population of Galveston was larger than the population of Houston.

Forty-seven years later, the deadliest industrial accident in American history occurred in the Galveston County town of Texas City when a ship carrying 2,300 tons of ammonium nitrate exploded resulting in a chain reaction of fires and other explosions. The conflagration killed 581 people and injured over 5,000. All but one member of the Texas City Fire Department were vaporized in one of the secondary explosions. This series of blasts leveled 1,000 buildings and homes and shattered windows as far as forty miles away. Within days after the Texas City explosions, major companies that had lost facilities announced plans to rebuild and expand their operations. In all, the expenditures for industrial reconstruction were estimated at approximately \$100 million or \$1 billion in today's terms.

As you can see, I work in a dynamic threat environment. Since 1960 Galveston has been declared a Presidential Disaster Area nineteen times and has been involved in numerous large disasters that did not reach that level.

Today Galveston County is still faced with the very same threats mentioned above. We routinely prepare for, respond to, recover from and mitigate against natural and man-made hazards.

Recently the media has been inundated with stories surrounding the preparedness, response and recovery efforts for Hurricane Sandy. Our hearts go out to these communities as they response and recover from the impacts of this storm.

My mission here today is simply to give you a brief overview of how we prepare, respond and recover from hurricanes in Galveston County. Everything you hear today, in fact, everything we do has been learned at the pointy end of the stick. We try mightily to learn from our experiences. We work hard to expand on our successes and to resolve and fix our failures. It is a never ending process.

The past is prologue ... learn from it.

One of the critical components of our hurricane doctrine is to always learn. Not only do we seek to learn from our experiences, but we make a sincere effort to learn from the experiences of others.

In the last decade there have been three signature hurricanes in our area which have taught us valuable lessons.

Hurricane Katrina August 2005

From Hurricane Katrina we learned valuable lessons about mass care and sheltering. I, personally, spent over a week working in the Unified Command at the Reliant Center in Houston. I still stand in awe of the immense effort that went into the in-take process, providing for the immediate needs and then placing tens of thousands of people who were displaced by the storm. It was not just me who learned from Katrina, everyone across the entire state who spent the weeks and months involved in the sheltering process were moved to make it more efficient. We had sheltering plans, but they were inadequate for the large number of people we received.

From that experience came initiatives to pre-identify sheltering facilities; to develop more detailed sheltering concepts of operations and plans; and, perhaps most importantly, to develop systems that will assist with tracking shelterees to help ensure that people do not get lost in the system.

One of the most heart wrenching issues that we all dealt with during the post-Katrina sheltering operation was trying to reunite families that were separated during the evacuation. In the rush to move people from the heartaches of New Orleans, the well-intentioned efforts inadvertently inflicted another form of heartache: separated families. Nothing focuses the mind on the need for knowing the whereabouts of individual evacuees as much as spending days and weeks trying to reunite children with their parents and parents with their children.

As a result, the entire state of Texas has invested considerable effort and resources into making sure that families do not get separated and, if they do, that we have a better than fighting chance of knowing exactly where each individual is in the system.

Hurricane Rita September 2005

From Hurricane Rita we learned incredible lessons about mass evacuation. Who will ever forget the pictures of cars stuck in grid-locked traffic jams as they spent literally hours to travel a few miles, if at all. Certainly, none of us who were there will. To the emergency management and response community who were trying mightily to deal with issues raised by literally millions of people trapped in their non-moving vehicles in the September heat and humidity it was another singular moment of clarity.

I will never forget the strongly worded admonitions from the then State Emergency Management Coordinator, the late Jack Colley, as he made clear to the entire emergency management structure in the state that what had happened was not acceptable in our state and that it was everyone's responsibility to fix the problem.

From that experience has come:

- Well developed concepts of operations and plans for managing evacuations routes. The Texas Department of Transportation, the Texas Department of Public Safety and local agencies across the width and breadth of the Texas Gulf Coast have worked closely together to identify and clearly mark the most effective evacuation routes. Included in the evacuation routing system are plans for the early implementation of an extensive traffic contra-flow plan. Much work has also gone into developing plans for managing those routes during the evacuation. Law enforcement and other resources will be strategically positioned in order to make sure that the evacuation traffic moves as smoothly as humanly possible.
- An emergency contract with a major fuel distribution company aimed at ensuring that there is plenty of fuel available pre-storm -- to support evacuation operations and post-storm -- to support response and recovery operations. This created the State of Texas Fuel Supply Team. One of the unknown unknowns prior to Rita was the fact that automotive fueling stations routinely carry as ready inventory less than fifty percent of their fuel storage capacity. As was discovered after the storm, this is done in order to help protect the businesses from the fluctuations in the prices that suppliers charge them. By keeping their fuel inventories low, they are better able to control their costs and to adjust to retail price changes.

While this may be a good and efficient business model it created significant distress during the Hurricane Rita evacuation. Early in the evacuation, gas stations all across Texas upper gulf coast area began running out of fuel inventory. The shortages resulted from both the surge in demand of those trying to flee the storm and those intending to shelter in place who were simply seeking to top off their vehicles and emergency generators.

In the spectacle that was the Rita evacuation, there were any number of vehicles that simply ran out of gas while sitting in the middle of the road and, thereby, leaving occupants stranded away from their homes in unfamiliar surroundings without the ability to self-transport to safety.

Re-supplying the network of gas stations was seriously hampered by the lack of an established mechanism to track emergency inventory needs and the lack of a plan to cause fuel to be delivered to the stations in the areas with the most critical needs. But even if those two components had been in place at the time, the resupplying of gas stations after the beginning of the evacuation traffic piled up would have been nearly impossible owing to the region-wide gridlock. Tanker trucks filled with gasoline and diesel would simply have become part of the ocean of vehicles that were not moving.

Since Hurricane Rita, it is procedure in the state for fuel distribution companies to ensure that their retail customers are well stocked in advance of an approaching

storm. The intent is to make available a ready supply of fuel to both the evacuating public as well as to support the needs of those who are not leaving. The Fuel Supply Team is strategically placed at the State Operations Center in order to quickly respond to inventory supply needs throughout the potential impact area. After the storm has passed, the Fuel Supply Team remains active in order to meet the post-impact needs of the public and emergency response and recovery efforts.

- More precisely defined evacuations zones. The boundaries that had previously been drawn along elevation lines were redefined in Galveston County to be along more easily identifiable zip code boundaries. These have been effectively communicated to the residents in the potentially affected areas. Within this context, those who lived within a zone that was most prone to flooding during a storm of particular characteristics would be advised to evacuate. Those who lived in the zones not expected to be flooded were expected to shelter-in-place. Based on this we now “run from the water and hide from the wind.” We borrowed this slogan from Craig Fugate when he was the Director in Florida.

While this zoning approach was sound in concept, during the reality of Rita it suffered from two significant issues. First of all, there was wide-spread public misunderstanding regarding who lived in which zone and what it meant to live in each individual zone with regard to the need to evacuate and when they should leave. This confusion and misunderstanding was compounded by the second issue ... fear and misinformation. Hurricane Rita, a catastrophic storm, coming as it did a mere three weeks after Hurricane Katrina had impacted New Orleans and the surrounding areas, caused a high level of concern in the residents of the upper Texas coast. Residents were, quite frankly, afraid that the same fate that had just befallen our neighbors to the east was going to visit our area. Residents who did not live in potential flood zones and even those who did but would not normally have left their homes for almost any reason, were primed and ready to get away from the hypothetical worst case and their perceptions of what might befall them if they stayed. It is also a sad and recognized understanding that mixed messages and confused signals from the emergency management community regarding who was really at risk and should leave and who was reasonably safe and should stay in-place compounded the situation.

Instead of the envisioned orderly, staged evacuation of only those who were reasonably at-risk, there was a headlong rush to the exits that one might expect in a theater where someone had just yelled fire. Residents who had no real need to evacuate hit the roads at the same time as those coastal residents who were at the highest risk.

As mentioned, the fix to this problem was to be more precise in the definitions of the storm surge area with more precise instructions for how and when those residing within each zone should leave. In the Galveston/Houston region the sharpening of the zone definitions and procedures has been accompanied by an extensive public education and outreach initiative aimed at calming potentially jagged nerves as well

as fixing in the public mind that those who are most at risk need to leave first and those at lesser risk should hold off until their neighbors have had a chance to pass by. We continue to conduct public outreach workshops and town hall meetings attended by thousands of people each year.

Hurricane Ike September 2008

Even though in the last four years other storms have come and gone along the Gulf Coast, the story of Hurricane Ike is still fresh and new in my mind and those of my colleagues. It is a very personal story. It happened to us and our neighbors and we were part of the effort to help everyone live through it and get back to the new normal.

Pre-landfall, Ike was, for us, one of those nightmarish guessing games. Ike was not one of those storms where you could look at the so called “cone of uncertainty” and be reasonably sure of its potential impact area. Ike was a wanderer.

In its very early stages, Hurricane Ike looked as though it would turn north and drift up the Eastern Seaboard. Then it turned south and then east. It passed over the length of Cuba. And, at the time that critical resource deployment and evacuation decisions were being made, Ike gave every indication that it would continue east/northeast for a projected landfall along the northern Mexican or southern Texas Gulf Coast. However, ultimately, Ike’s path would be a long arc trending from east/northeast to north/northwest and covering a large swath of the Gulf of Mexico.

With each new advisory from the National Hurricane Center the best guess projection of landfall moved closer to Galveston County. It was not just that no one knew precisely where the storm would go ashore, it was that no one knew at all where it might strike. Resources and staffing, first deployed to the lower Texas Gulf Coast, began to literally chase the storm up the coast as one after another community would at one moment begin to brace for the storm only to find in the next moment that they were out of danger.

Even in the final moments when it was clear that Ike would land in the Galveston County area, it was not done playing cat and mouse with us. As landfall approached, the general consensus was that the storm would come ashore just west of Galveston Island and would likely lay waste to the City of Galveston with its massive storm surge. However, a last minute wobble sent the storm just slightly eastward to a heading that took the center of the eye through the mouth of Galveston Bay and, generally, directly up the Houston Ship Channel. In the end, Hurricane Ike’s path was eerily similar to the path of the 1900 storm.

Although the City of Galveston was mostly spared a direct hit by storm surge on the “dirty side” of Ike, it certainly did not escape widespread flooding damage. As the storm surge pushed through the narrow opening of Galveston Bay, it was driven by the hurricane’s counter-clockwise winds onto the “backside” of the island. Whereas the world expected Galveston Island to be destroyed by the storm surge overtopping the seawall, the real damage was done by a sneak attack from the east flank and the rear. Wind driven water

coming from the bay side completely flooded the city and did the same type of damage we have come to expect from hurricane storm surge.

To add insult to injury, as the storm passed and the winds naturally shifted from northeasterly to southwesterly, debris from the island was driven back into the bay. Much of that debris came to rest on the southbound side of the Galveston Causeway creating a several mile long plug of waste on one side of the only thoroughfare on and off the island with its population of 65,000.

Galveston Island was not washed away as it was during the 1900 storm but the damage done to residential structures, businesses, critical infrastructure and governmental buildings was nonetheless catastrophic. Even the University of Texas Medical Branch, the only hospital on the island and the only trauma center in the county, was completely incapacitated with damages that took months and years from which to recover.

Galveston Island was spared total destruction but the Bolivar Peninsula was not. Bolivar, a part of Galveston County that is located across the opening to Galveston Bay from the island, took the brunt of the direct storm surge. The massive surge coupled with the hurricane force winds destroyed very nearly every structure on the peninsula. The surging water completely breached the peninsula at a number of points and helped push debris into the Intercoastal Waterway and a large swath of a wildlife refuge across a narrow part of eastern Galveston Bay.

Other parts of Galveston County also suffered impacts from flooding. For instance those properties that fronted Galveston Bay, including the country's second largest petrochemical complex, were confronted with fourteen to sixteen feet of storm surge. The petrochemical complex and the cities of La Marque and Texas City were fortunately protected by the County's hurricane levee. Even those areas close to the Bay, but not directly on it, were subjected to intense flooding from the so called "bathtub effect" which clogged drainage creeks and bayous.

It would be an oversight not to mention Ike's impacts on our neighbors to the north. Areas to the north of Galveston County were not necessarily subjected to the tremendous storm surge, however, they did suffer mightily from the impacts of the winds.

All hurricanes are unique in their particular characteristic; however, Hurricane Ike was a particularly interesting one. The most educated consensus seems to be that Ike came ashore as a Category 2 hurricane. To be sure, a "Cat 2" hurricane was a windstorm to be reckoned with but the real story of Hurricane Ike was its sheer physical size and the amount water that it pushed ashore. At landfall, the outer bands of the storm covered an area from beyond Lake Charles, Louisiana, all the way to Victoria, Texas. That is a distance of several hundred miles. A hurricane of that massive size, driven by 100 plus mile per hour winds is going to push around a lot of water. Indeed, the storm surge of Hurricane Ike far exceeded what consensus would tell you is the likely result of a "normal" Category 2 storm.

Hurricane Ike was a dangerous storm beyond all preconceptions.

Here is a very brief overview of lessons learned from Hurricane Ike operations:

- *Early recognition of a threat is critical.*

As discussed above, Hurricane Ike defied attempts to accurately predict its eventual landfall until just before it came ashore. The landfall estimates “walked” up the coast as precious time slipped away. The Galveston/Houston area, although generally aware that it was potentially in harm’s way, did not come to understand the probability of a local landfall until very late in the game.

While much preparatory work was accomplished before the storm came ashore, there is still a lesson to be learned from the experience. Emergency managers should keep in mind that hurricane landfall is controlled by a myriad of factors many of which are difficult to predict and some of which are not particularly well understood. Therefore, when a storm is headed anywhere near you, it pays to be vigilant and proactive. It is better to be a little ahead of the curve and wrong than a little behind the curve and correct.

I cannot over emphasize the critical role which the National Weather Service local forecast offices play in providing critical information to help emergency managers make life saving decisions. In fact the Houston Galveston National Weather Service forecast office is located in my building a mere 10 feet from my office door. We know that budgets are tight, functions are being reviewed, and difficult decisions are being made, but we urge Congress to continue to strongly support these local forecast offices.

- *Cooperative relationships are critical.*

The concept is rather simple, when a region-wide disaster, such as a hurricane, hits everyone has “skin in the game” so we had better work cooperatively. In fact, cooperation amongst the various parties has evolved into another critical component of our hurricane operations doctrine.

It is simply impossible for any one entity, agency or organization to stand on its own during disaster operations. None alone can possess the necessary staff, resources, knowledge or legal authority to be effective while operating by themselves in a virtual silo.

Texas has put great effort toward bringing together the entire spectrum of local, regional and state agencies as well as non-government organizations, private industry, Volunteer Organizations Active in Disasters and citizens under policies, procedures, mechanisms and legal documentation to allow cooperative planning, training, exercising and operations.

Speaking as an experienced emergency manager, I cannot overemphasize the importance of being able to rely on the cooperative relationship with others to the success of any disaster operation.

- *Evacuation is a difficult and resource intensive process but it needs to be done.*

While well over a million people evacuated without significant incident from the Texas Gulf Coast before Ike's landfall, there were still vast numbers in Galveston County who stayed behind. It is estimated that only twenty-two percent of the population evacuated even after we warned people that they would face "certain death" if they stayed. It is estimated that 32 died and many more are missing.

While I, as an emergency management professional, believe that everyone in a potential impact zone should leave and leave early, the decision on whether or not to leave your home to whatever might befall it is a deeply personal one. I recognize that it is difficult to leave behind memories, heirlooms, family pictures and other personal items with the uncertain knowledge of what may greet you when you return.

Nonetheless the fact remains that those who stay behind become the very first victims of the storm. Many calls to the local 911 centers asked for rescue when waves from the storm surge were crashing under their homes and would require first responders to risk their lives. Whether or not the storm leaves them in need of immediate rescue, those who inadvisably remain in harm's way will require that their immediate needs be met. These needs include food, water and shelter the provision of which will absorb resources and time.

We, the emergency management community, must do a much better job of communicating to our residents the importance of them leaving the potential impact area before the storm hits. We also must do a better job of removing any perceived barriers to evacuation that may cause people to feel that they are better staying in place than they are leaving and going to a safer area.

- *Search and rescue*

As with any hurricane there are two phase of search and rescue operations. The first phase comes just before a storm makes landfall. This is that time that individuals who are in harm's way and have, for whatever reason, not yet left realize the danger that they are in and reach out to emergency responders for help. During these moments of grave danger is when the United States Coast Guard and Texas Air National Guard put their own lives at risk to help. Pre-landfall of Hurricane Ike, air assets from the Coast Guard and Air National Guard affected the rescue of the 364 souls trapped by rising waters on Bolivar Peninsula.

Then, after the storm, another wave of search and rescue workers from the FEMA Urban Search and Rescue Teams were deployed to the impacted area and rescued numerous people who were trapped.

The State of Texas also deployed charter buses to transport residents who took shelter during the storm at Galveston Ball High School.

- *Communities need to develop cooperative agreements for emergency sheltering.*

Galveston County has a long history of planning for sheltering its displaced population. The first point-to-point shelter agreement was penned by the City of Galveston and the City of Austin after Hurricane Rita. No longer would we just tell our residents to flee north and hope to find lodging. Other jurisdictions along the Gulf Coast have followed this model and, as a result, point-to-point sheltering has been adopted statewide.

Another initiative was that of the first shelter hub plan established by Austin/Travis County. In this model a central arrival location was set up and the evacuees would subsequently be rerouted to local shelters accordingly. This plan worked extremely well during Hurricane Ike. One of the key successes to this plan is partnerships and the State of Texas disaster contingency fund.

More than 85% of the housing stock in Galveston County sustained damage in Hurricane Ike. People either evacuated prior to the storm or were evacuated after the storm. In order for people to return to their jobs, check on their uninhabitable homes, cleanout their houses, pack their belongings, and meet with FEMA representatives and/or insurance agents, citizens needed to be able to stay close to the County. Hotel accommodations were scarce and where there were accommodations, they were often filled with Red Cross, Salvation Army, or FEMA representatives.

As much as FEMA made itself available to the public, the difficulties met with in the application process for assistance were compounded by requirements for citizens to reapply for their vouchers every two weeks.

Also, FEMA's rule that prohibits the placement of temporary housing in coastal V-zones has made it nearly impossible to place sufficient housing stock to meet community and business needs.

- *Reentry and recovery*

Hurricane Ike destroyed public infrastructure and disabled most modern conveniences. Utility companies from across the county responded to Galveston County to restore power, water and communications. The State of Texas deployed their Public Works Response Team which is made up of public works professionals

from across the state. The Public Works Response Team proved to be an invaluable asset. As infrastructure started to come online elected officials made the decision to reopen impacted areas. The first wave was emergency responders and utility workers. The second wave was business owners. The City of Galveston implemented a system called "look and leave" a concept in which residents were allowed to return to their home to assess damage and then expected to leave the area prior to a defined curfew. This proved to be a mistake and has been removed from our future plans as residents often simply stayed.

One of the most challenging issues with recovery was locating a suitable location for a local emergency shelter so people could return home and start the rebuilding process. It took us days to locate a building and none could be found. Galveston County with assistance from the state and FEMA were able to erect a tent that was used for 27 days as an emergency shelter. This tent shelter at the airport was operated by the Baptist Children Family Services.

As residents returned, it was clear that debris removal would be the most urgent action. Most debris was located on private property and as we are painfully aware this causes challenges. Jurisdictions in Galveston County were able to obtain private property waivers in order to start the debris removal process. While the waiver process is detailed some consider it tedious. Debris contractors converged upon Galveston County very quickly due to pre-disaster contracts and memoranda of understanding. This was a true success leading to the quick removal of debris.

Non-governmental partners played a vital role in assisting Galveston County by providing goods and services. Galveston County and the State of Texas have fostered partnership with area businesses and developed formal relationships with retail, banking and telecommunications industries.

As the debris removal process continued we entered into the recovery phase. Residents and local governments attempted to achieve societal restoration. Joint and Area Field Offices were established within the county. Disaster recovery centers were also opened.

As the recovery phase continued jurisdictions struggled with a wide variety of FEMA interpretations of rules and policies. This slowed the documentation of requests for public assistance and the completion of project worksheets. The general consensus among emergency managers in the area was that the need for rotating FEMA officials in and out of the impacted area contributed to the confusion and conflicts experienced. We applaud FEMA Director Fugate's efforts to obtain consistency and his urging for the recovery officials to get it right the first time.

Many rebuilding projects were approved and implemented with the most notable being the Bolivar Blue Print. With grant funds from FEMA and HUD we were able to start rebuilding Bolivar. Grant funds arrived and many projects were undertaken to improve infrastructure and housing to help Bolivar weather the next storm. The

Blueprint, a long-term recovery initiative, helped the severely impacted Bolivar residents chart a better future. A Steering Committee, Technical Committee and multiple subcommittees were formed and many meetings were conducted.

A team from FEMA provided technical assistance and helped the county produce a draft Blueprint document that explained the process, offered alternate routes for the development of various community-driven projects, and included comments from many citizens about how to proceed. Citizens were encouraged to download the documents and stay involved in the rebuilding. Bolivar is now a thriving community.

Galveston County has a large (over 60%) population of renters. FEMA has a very good program set up for homeowners with adequate insurance and also for homeowners with no insurance. Although the process is very tedious, if you follow all the steps the program works. However, there is minimal assistance for renters. It would be helpful, if there were assistance for owners of rental property to get them back in operation. In addition, when apartments were placed back in operation, FEMA set a rental rate which created an increase in the cost of living for renters. FEMA rental rates were in many cases 10 – 30% higher than was being charged for the same property prior to the storm.

When insufficient housing exists to handle displaced residents, the pace of recovery for rental properties directly impacts how quickly people can return to Galveston County and support both their personal as well as community recovery efforts. This creates a public-sector imperative to assist rental property owners, so that people can get out of FEMA trailers and government-provided housing and back into their communities.

It is worth noting that the difficulties associated with inconsistent interpretations of FEMA rules and policies have impacted disaster operations in other areas of the state. For instance, during the catastrophic Bastrop wildfires, a Federal Coordinating Officer (FCO) gave one interpretation of the rules to the state emergency management chief and then, after state funds had been expended, another FCO gave a different interpretation costing the State of Texas financially.

Conclusion

Last Friday we crossed the finish line on the 2012 hurricane season. For emergency management professionals along the Texas Gulf Coast the work simply shifts. It has been said that there are really only two seasons along the Texas Gulf Coast ... hurricane season and pre-hurricane season. While it is certainly true that planning and preparing for hurricane operations is a year-round undertaking, it is also true that from the November 30 close of hurricane season until the June 1 opening of the next season, the entire coastal emergency management community is extremely busy. This is happening all over the

Texas Gulf Coast; in fact, actually scheduling our activities will be complicated by the need to accommodate the training and preparation activities of our state and regional partners.

Make no mistake, in a disaster such as Hurricane Ike, our partners from FEMA are welcome additions to our operations. The knowledge and resources that FEMA brings to the table are critical to our success. On the other hand there are some operational drawbacks that come with the way that FEMA conducts its business. We simply note that some tweaks to operational concepts will go very far toward enhancing the efficiency and effectiveness of the fine work that FEMA does.

As I have always said emergency management is open book and you will not fail if you follow the system.

Again thank you for allowing me the opportunity to testify. I will be happy to answer any questions you may have.



December 18, 2012

Honorable Jeff Denham
Chairman
Subcommittee on Economic Development, Public Buildings
and Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives
585 Ford House Office Building
Washington, DC 20515

Honorable Eleanor Holmes Norton
Ranking Member
Subcommittee on Economic Development, Public Buildings
and Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives
585 Ford House Office Building
Washington, DC 20515

Dear Chairman Denham and Ranking Member Norton:

On behalf of the National Business Aviation Association (NBAA) we would like to take this opportunity to express our appreciation for your December 4th hearing on "A Review of the Preparedness, Response To and Recovery From Hurricane Sandy".

As you are aware, in times of crisis, business aviation helps deliver support and relief to communities in distress during times of flooding, fires or other natural disasters such as Hurricane Sandy. General Aviation helps assess damage, rescue those affected and carrying supplies through a network of local airports.

Business aviation continues to support recovery efforts on behalf of the residents of the areas affected by Hurricane Sandy. NBAA operators are dedicated to helping provide lifesaving flight operations and contributing their services to the communities in which they live and work.

Please find attached a short compilation of efforts undertaken by the business aviation community to assist Hurricane Sandy victims. We would like to request that this summary be included in the December 12, 2012 official hearing record.

Thank you for your consideration and support for general aviation.

Sincerely,

Ed Bolen
President and CEO

Business Aviation Community Rallies to Support 'Sandy' Victims

As hurricane force winds and pounding rains lashed against the southern coasts of Manhattan and New Jersey in late October 2012, business aviation operators were already coordinating what was to become a massive relief effort for victims of the devastating "Superstorm" Sandy.

Even before the storm made landfall Oct. 29, offers to help were already coming in from across the United States to the NBAA HERO (Humanitarian Emergency Response Operator) Database, as well as NBAA's Air Mail online forum. Individuals and general aviation disaster relief organization AERObridge mobilized immediately to support relief operations.

Over the following three weeks, nearly 100 aircraft of all sizes - from piston singles through Global Express jets - delivered over 51,000 lbs. of desperately-needed supplies into the region. AERObridge estimates it also worked to arrange ground transportation of an additional 72,000 lbs of supplies.

Examples of these relief efforts include:

- C&S Wholesale Grocers, the country's largest food wholesaler, immediately responded to a HERO Database request for assistance by offering to fly its Challenger 300 from New Hampshire's Dillant Hopkins Airport (EEN) to Teterboro Airport (TEB) in New Jersey. The aircraft was filled with nearly 600 pounds of medical supplies donated by the company, with C&S Wholesale Chairman and CEO Rick Cohen and his wife Jan accompanying the relief flight.
- A four-plane airlift of critically needed supplies from Columbia, S.C. to New Jersey on Nov. 4 was part of an impressive effort, involving several entities and transportation methods, which eventually saw more than 12,000 pounds of food, water and other critical supplies delivered to Sandy victims.
- An online request to help collect donated items evolved over 72 hours into a major airlift involving volunteers from four companies. Representatives from Blue Star Jets, FBO operator Ronson Aviation, aircraft management firm LR Services, and World Fuel Services worked together to fill an otherwise empty Beechjet 400 repositioning to New Jersey's Trenton Mercer Airport (TTN) with supplies to the stricken area.
- New York-area helicopter operators delivered over 12 tons of urgently-needed supplies to one the areas hardest-hit from the storm. On Nov. 9, nine helicopters flew a total of 20 sorties from a base of operations at New Jersey's Linden Airport (LDJ) to Staten Island University Hospital. The airlift was organized by the Eastern Regional Helicopter Council (ERHC) as part of its Helicopter Emergency Response Program.
- Nearly 8,000 pounds of donated supplies traveled across the country, by air and by truck, thanks to the support from several Arizona-based companies. The Arizona Business Aviation Association (AZBAA) partnered with AERObridge to successfully accomplish the multi-pronged relief mission, which included a last-minute aircraft switch.

- Pilot Michael McConnell, president and CEO of CityBlue Technologies in Peoria, IL, flew his Cessna 210 to Elkhart Municipal Airport (EKM) where he found boxes of cereal and granola bars waiting. Once loaded, he continued on to Robert J. Miller Air Park (MJX) in Toms River, N.J. - a 545-nautical-mile flight, with the aircraft and all costs donated by the pilot.

"The business aviation community has repeatedly demonstrated its willingness to step forward to help in times of natural disaster and other emergencies to fly in badly needed medical and other supplies after hurricanes like Katrina and the earthquake in Haiti," noted NBAA President and CEO Ed Bolen. "That has clearly been the case following Sandy, as well."